



INTERNATIONAL

Herald Tribune

Published With The New York Times and The Washington Post

PARIS, FRIDAY, SEPTEMBER 3, 1982

ESTABLISHED 1887

THE GLOBAL NEWSPAPER
Printed Simultaneously
in Paris, London, Zurich
and Hong Kong

No. 30,960

Israel Rejects Reagan's Proposals for Middle East Peace

President's Speech a Commitment to Break Deadlock

By Don Oberdorfer
Washington Post Service

WASHINGTON — President Reagan's surprise announcement of a Middle East peace initiative represents a major new U.S. commitment to break the deadlock on the Palestinian issue, which long has been at the center of the Arab-Israeli dispute.

Senior administration officials said Mr. Reagan took the step without advance agreement from any of the major parties in the Middle East such as Israel, Egypt, Jordan and Saudi Arabia. Leaders of these countries were informed Tuesday by U.S. ambassadors of the plan made public Wednesday night.

Some of Mr. Reagan's proposals, especially the freeze on Jewish settlements on the West Bank and the eventual return of Arab territo-

ry, are anathema to Prime Minister Menachem Begin's government.

Official sources said Mr. Reagan's speech had been planned for Thursday night but was moved up 24 hours to preempt a strongly

NEWS ANALYSIS

adverse public reaction from Israel.

Other Reagan statements, especially U.S. opposition to creation of a Palestinian state on the West Bank and in Gaza, cut across long-standing positions of the Arab parties.

King Hussein of Jordan, who is assigned a key role in the peace plan outlined by Mr. Reagan, has made no commitment to play such a role, a senior U.S. official said in a State Department briefing.

King Hussein refused to take

part in the Camp David process as forged by President Jimmy Carter, but officials expressed the hope that the monarch would consider the Reagan plan different enough to change his mind.

The main hope, as outlined by Mr. Reagan, is that the dramatic events in Lebanon will provide a new reason and opportunity for the Middle East actors to rise above their disputes in the common interest of eventual peace.

But officials did not explain how they expected to convince nations and people involved to accept positions that had been opposed, in some cases adamantly, during earlier rounds of diplomacy.

Asked about the next step, the senior State Department official at the briefing said this would await "considered reaction" from Mideast parties.

There is no expressed expectation among informed officials that Mr. Begin will accept the key elements of Mr. Reagan's plans initially and only a slim hope for eventual acceptance.

Mr. Begin regards the West Bank as the legitimate "land of Israel," and he only suspended claim to it during the Camp David negotiating process at the urging of Mr. Carter.

The reactions of the Israeli public, including the Labor Party, which preceded Mr. Begin's Likud bloc in power, give promise of being more positive in the long run, in the view of American officials.

Some of the ideas expressed by Mr. Reagan, especially that of peace based on a territorial compromise with Jordan, had been

(Continued on Page 2, Col. 2)

Cabinet Angered at Jordan Link, Freeze on Settlements

Compiled by Our Staff From Dispatches

JERUSALEM — Israel defiantly rejected on Thursday new U.S. proposals for reviving the Middle East peace process, saying they could create a serious danger in Israel and could not form the basis for any negotiations.

A statement issued after a special Cabinet meeting in Jerusalem said it was inconceivable that Israel would ever agree to the plan outlined by President Reagan Wednesday.

The Cabinet statement spurned Mr. Reagan's proposal to freeze settlement in the West Bank and Gaza and bring Jordan into the peace process, and it appeared to augur a major confrontation with the United States, Israel's chief political ally and arms supplier.

"Since the positions of the United States seriously deviate from

the Camp David agreement, contradict it and could create a serious danger to Israel, its security and its future, the government of Israel resolved that on the basis of these positions it will not enter into any negotiations with any party," the Cabinet statement said. Dan Meridor, the Cabinet secretary, said the plan was unanimously rejected.

The Reagan administration insisted that it was neither surprised nor especially perturbed by Israel's reaction.

"We know there will be disagreement," Larry M. Speakes, deputy White House press secretary, said in California. He said the proposal "is doing what it was intended to do, that is, form the basis for serious movement toward a just and durable peace in the Middle East."

John Hughes, chief spokesman

for the State Department, said, "The president has tried to seize this moment in history to move the peace process forward. It is considered by the president to be a reasonable and sensible position."

The Cabinet's statement on Mr. Reagan's proposal did not convey the sense of outrage and anger of the Cabinet members, in particular that of Prime Minister Menachem Begin, according to senior Israeli officials, United Press International reported.

Heightening the sense of indignation among Israeli policymakers was the belief that Mr. Reagan had "ambushed" Israel with his plan and communicated its points beforehand in Jordan and Saudi Arabia.

Israeli officials said Mr. Begin had already written in Mr. Reagan in reply to his letter of Tuesday

spelling out the proposals. In Nahariya, Mr. Begin told Caspar W. Weinberger, U.S. secretary of state, that Israel would never negotiate under such a plan. After two hours of talks, Mr. Weinberger left by car for Tel Aviv without making any statement on the discussions.

The statement mocked U.S. promises to oppose Palestinian statehood in the occupied territories, saying, "If the American proposals were to be implemented, nothing would prevent King Hussein from inviting his new-found friend Yasser Arafat to Nabulus (in the West Bank) and telling him: 'Take power.'"

"Thus would arise the Palestinian state, which would force an alliance with Soviet Russia," he said. Jordan, Syria, Iraq and Saudi Arabia

(Continued on Page 2, Col. 3)



A woman wept at a gathering at St. Ann's church in Warsaw Wednesday while others sang songs in support of Solidarity.

New Polish Riots Erupt Over Symbolic Graves

By Ruth E. Gruber
United Press International

WARSAW — Rioting erupted Thursday for the third straight day in the southwestern city of Lublin, witnesses said.

The witnesses said riot police fired tear gas for more than two hours and shot red, blue and green flares to disperse bands of 30 to 50 youths who raced through the city center late Thursday afternoon.

They said the clashes took place after police removed five collections of flowers, candles and religious pictures symbolizing graves of persons killed Tuesday in disturbances marking the second anniversary of the independent labor union Solidarity.

Five Symbolic Graves

Officials said only two men, both workers, had been shot to death by police who opened fire "without orders." But the five symbolic graves included a memorial — incorporating a lone tennis shoe and a prayer book — to a 15-year-old schoolboy residents said also had been killed.

Reports from Lublin said that helmeted soldiers and riot police had sealed the town, a copper mining center near a big Soviet military base, and barred outsiders from entering.

The official news agency PAP had reported a second day of rioting Wednesday, when youths marched on the Communist Party headquarters and set ablaze a reading room in the city hall building.

Witnesses said about 5,000 took part in Tuesday's demonstrations

and more than 5,000 took to the streets Wednesday.

Residents of the town, with a population of 68,000, said the funeral of one of the men killed would take place Sunday, and there were rumors copper miners planned a strike or symbolic protest that day, despite heavy concentrations of riot police.

Trials Planned

Across Poland, more than 4,000 people were arrested and three persons were killed during the clashes Tuesday — the most serious challenge to Poland's military rulers since martial law was imposed Dec. 13. The third victim was a man found dead in Gdansk, apparently hit by a tear gas canister.

The reports of new violence came as the government moved to crack down on underground resistance to martial law, including show trials for dissident leaders.

The army newspaper *Zolnierz Wolnosci* said, "One lacks words of condemnation for [underground leaders] Wladyslaw Frasyniuk, [Bogdan] Lis and [Zbigniew] Bujak who were anticipating — and so presumably planning — just such an outcome of the so-called peaceful demonstrations as in Lublin."

The charges leveled against the union's top underground leadership came less than 24 hours after the ruling military council announced it would try leaders of the dissident Workers' Defense Committee, or KOR, for "crimes against the state." It charged KOR with masterminding Tuesday's demonstrations.

Such trials would be the most important in Poland since the Stalinist era of the 1950s. The council did not name any dissidents who face indictments.



A leftist guerrilla holding a flag sits in a truckload of ammunition as the militiamen yield positions to the Lebanese Army along the dividing line between East and West Beirut. Story, Page 2.

Government In Denmark Will Resign

Social Democrats' Plan For Economy Rejected

Compiled by Our Staff From Dispatches

COPENHAGEN — Premier Anker Jorgensen announced Thursday that his Social Democratic government will resign because of rejection of its plan for revamping the economy.

The premier, who has led successive minority governments since 1975, said fresh elections would not be called.

Mr. Jorgensen said that he would see Queen Margrethe II Friday to present the resignation of his eight-month-old administration.

He said he would advise the queen of Denmark's political situation and a search for a new government would then begin. After receiving the resignation on Friday, Margrethe will appoint a negotiator to try to form a new government.

Intense Negotiations

The collapse of Mr. Jorgensen's government followed two days of intense negotiations that failed to secure majority support in parliament for an economic package cutting the budget by \$1.1 billion.

"I have not been able to draw any other conclusions than that it is impossible to reach an agreement," Mr. Jorgensen said.

"I therefore have two possibilities, either to resign or to call elections. And I feel that an election in the present situation of the country would not help to solve the country's problems."

Mr. Jorgensen Wednesday unveiled in parliament an economic package aimed at cutting state expenditure, increasing revenue and improving Denmark's competitiveness abroad.

In a radio interview Thursday, Mr. Jorgensen said that the government had failed to gain political support for the package which also contained controversial plans to introduce new taxes on pension and life insurance funds.

Indivisible Whole

He said the measures were a balanced and indivisible whole and that his government wanted broad parliamentary backing for them, although certain elements were negotiable.

Two of the parties which supported him, however, had said they disagreed with elements of the package and would reject what they disliked.

Denmark suffers from about 10 percent unemployment, widening balance of payments deficits and a huge net foreign debt of about 125 billion kroner (about \$15 billion).

Soaring state deficits have also pushed up domestic interest rates and caused business investment levels to stagnate, economists said.

Polls, Politicians Say Reaganomics Is Only Issue in Midterm Balloting

By Hedrick Smith
New York Times Service

WASHINGTON — Probably not since just after World War II has the country headed for a midterm congressional election in which the issue is so heavily on a single issue as it does this year on public reaction to the Reagan economic program.

In 1958, President Eisenhower faced a midterm recession, but Republicans were also buffeted by the Soviet leap into space, which shattered the nation's self-confidence. In 1970, President Richard M. Nixon saw another recession rob the Republican Party of expected gains, but law and order and the Vietnam War were also compelling concerns.

In 1974, Republicans were badly damaged by two issues: inflation and the Watergate affair, which kept Republican voters home. The last time either party made big gains on the single issue of the economy was in 1946, when wartime price controls, imposed under the Democrats, were lifted.

Most politicians and poll-takers believe that even though President Reagan will not be on the ballot, the election for the House of Representa-

tives will be a referendum on his economic policies.

"If we Democrats make gains, it will be a public statement on Reagan's economic policies," said Charles T. Mannatt, national chairman of the Democratic Party. "The program has not worked. The economy is not improving. The unemployment rate is still moving up. Fairness and mismanagement of the economy will be the overriding issues."

The Economy's Direction

Robert Teeter, president of Market Opinion Research, whose company conducts polls for the Republican Congressional Campaign Committee, said, "The election is going to be about the direction Reagan is trying to turn the country. It will be about whether this is the right direction and whether the program is going to work and we ought to keep it up, or it's the wrong direction and it's not going to work and things are now worse than when Reagan took office. In a very real sense, it's a one-issue election."

For 19 months, political calculations have pivoted on the economy. Early last year Republicans talked expectantly of capturing a majority in the House this fall and causing a major national

political realignment, but the recession dashed those hopes. Then Democrats began to dream of their own landslide, but the recent stock market surge, the decline in interest rates and surprising public patience with the Reagan program have tempered their expectations.

Nonetheless, hard times in the industrial Middle West have increased Democratic chances for taking over governors' chairs in Michigan, Ohio, Wisconsin, Minnesota, Iowa and Illinois. Bad economic news has been good political news for senatorial campaigns of Midwest Democratic incumbents such as Donald W. Riegle Jr. of Michigan and Howard M. Metzenbaum of Ohio and thus helped ease Democrats' fears of serious Senate losses this year.

But while Senate and gubernatorial races can turn on local issues and individual personalities, the national battle over the House is taken by most politicians as the best test for the president's economic program.

In a Gallup Poll on Aug. 2, people were asked which party they preferred in the congressional election. They chose Democrats over Republicans, 54 percent to 38 percent. That would translate into a gain of 30 in 35 House seats by Democrats and a serious setback for President Reagan.

But despite the recession and prospects for only a sluggish recovery, campaign specialists for both parties expect a less dramatic shift. Democratic officials predict a gain of 10 to 20 seats for the party, and Mr. Mannatt, the party chairman, projects a gain of 15 House seats.

Nancy Sinott, executive director of the Republican Congressional Campaign Committee, contends that with some favorable economic trends on inflation and interest rates and a few signs of recovery, Republicans will come close to holding ground or losing only two of their 192 seats in the House. But Richard Wirthlin, Mr. Reagan's poll-taker, says the loss could be five to 25 seats.

Boon for Democrats

Since the party in control of the White House normally loses seats in an off-year election, that would be a reasonably good showing for Republicans. White House officials contend that, even with a loss of 15 seats, Mr. Reagan would be able to push his programs through Congress. Mr. Mannatt, however, asserts that such a shift would move the Democrats "toward working control of the House."

Republicans lost 47 House seats and 13 Senate seats in the Eisenhower recession of 1958. But they lost only 12 House seats and gained one Senate seat in the Nixon recession of 1970.

Democratic candidates are talking about 9.8-percent national unemployment, the rate of small business bankruptcies and farm foreclosures and the high cost of personal borrowing.

Republicans, appealing for more time to let the Reagan program work, emphasize the drop in inflation from 12 percent in 1980 to less than 6 percent now, the decline in the prime interest rate from 21 1/2 percent under President Jimmy Carter to 13 1/2 percent now, and four consecutive monthly increases in the government's Index of Leading Economic Indicators.

Not only Republican poll-takers such as Mr. Wirthlin but also Democratic strategists have been surprised that in such hard economic times Republican incumbents are not worse off politically. Both parties have polls showing that even in areas of high unemployment such as Pontiac, Mich., or northern Indiana, Republican incumbents in the House are holding their own and the House.

(Continued on Page 2, Col. 6)

Russian Warns of New Arms Race

General Says Kremlin Won't Trail U.S. on Cruise Missile

By Flora Lewis
New York Times Service

MOSCOW — A member of the Soviet general staff says that no arms control agreement "will be of any value" if the United States starts a Cruise missile race while seeking a reduction in the number of heavy missiles.

Maj. Gen. Viktor Starodubov, a member of the Soviet delegation at the talks in Geneva on reducing strategic weapons and of the Soviet-American Standing Consultative Committee, established to monitor the strategic arms treaty, made it clear that he was speaking for the Soviet military establishment.

The theme of his remarks during a three-hour interview Aug. 26 was a restatement of the Soviet position that Moscow was not seeking military superiority over the United States but would not accept inferiority at any stage of an arms-reduction process.

"Security is our highest interest," he said. "We think it is dangerous if the United States is superior in some types of arms. This is our ideology. They could exploit it for political tasks, and from that, it wouldn't be a long way to conflict. 'Balance is the main factor of strategic stability. We require balance at all stages of reductions, even at the lowest levels.'"

New Weapons

Speaking through an interpreter, Gen. Starodubov said the Cruise missiles are an example of what the Russians see as an attempt by the United States to gain an edge in a new kind of weapon while negotiating limits on older types.

"We are following the United States in the question of arms," he said. "History shows that the Soviet Union has never been superior to the United States in strategic arms. Why is the United States initiating an arms race?"

"If there is a Cruise missile race,

the United States will complain about Soviet Cruise or anything we develop to compensate. We proposed a ban on Ohio-Typhoon-type nuclear submarines. The United States rejected it, and now both sides are starting to develop them."

Gen. Starodubov said he could not discuss details of the Geneva negotiations because both sides had agreed to keep them confidential.

Asked whether, as some American analysts believe, the Russians now regret their abrupt rejection of major reductions proposed by Secretary of State Cyrus R. Vance in 1977, he said flatly no.

"Our motive was the same as for rejecting START proposals," he said, referring to the so-called Strategic Arms Reduction Talks proposals of the Reagan administration. "We understood well both the Vance and Reagan proposals. (Continued on Page 2, Col. 1)

INSIDE

■ British, French, West German and Italian officials will meet Friday to discuss a common policy on President Reagan's sanctions against the Soviet pipeline. Page 2.

■ The Agriculture Department, confirming what most U.S. farmers have predicted for months, projects that net farm income this year will be \$19 billion, the lowest figure, when adjusted for inflation, since the Depression year of 1933. Page 3.

■ A late rally on Wall Street lifted the Dow Jones industrial average to its highest level in more than a year. Gold prices rose more than \$32 an ounce. Page 11.

■ WEEKEND: An outstanding example of the editor's skill is Philip Kolb's work on Marcel Proust's enormous correspondence, the ninth volume of which appeared in France in July. Page 7W.

Experts Can't Find Words for Their Problems

In Toponymy, Politics Is as Important as Linguistics, UN Group Learns

By Iain Guest
International Herald Tribune

GENEVA — Nothing, it seems, is simpler these days, not even the business of naming places.

The art is called toponymy, and it has brought experts from 60 countries to Geneva for a United Nations conference. They expected easy sailing in their efforts to standardize and simplify the world's maps. Instead, they find themselves in a sea of political problems.

In less than two weeks, they have been confronted with a Soviet proposal for a completely new romanized version of the Russian alphabet. Under the new system, known as *Cornecoon*, such familiar names as Khrushchev and Tchaikovsky would apparently turn into *Hrusev* and *Cajkovskij*.

The Soviet proposal had a first bearing Thursday, and to the relief of Western delegates the Russians agreed that they would not force

a vote and would instead consult first with other delegations.

The conference is also being pressed to do the following:

- Accept a new romanized version for Greek.
- Refuse to recognize Israeli names in the occupied Arab territories.
- Draw up guidelines for defining trenches and ridges on the deep seabed and naming such celestial features as craters on Venus.
- Do away with colonial names.
- Decide once and for all whether such towns as Marseilles and Lyons should be spelled with or without an s at the end.
- Aid for Developing Nations

The meeting is the fourth on geographical names to be held under UN auspices since 1967. Its principal aim is to help developing countries — particularly those such as Indonesia, Nigeria and Su-

dan, which have hundreds of spoken dialects — develop a national system for naming places.

Instead of offering advice, however, the Western countries have found themselves fighting a rear-guard action, particularly against the Soviet proposal. If and when the proposed *Cornecoon* version is accepted by a majority, members of the United Nations would be expected to change their maps.

The prospect appalls Western delegates. There are about 18 non-Roman alphabets, such as Japanese, Arabic, Burmese and Greek, and all have proved stubbornly difficult to turn satisfactorily into the familiar 26-letter Roman alphabet.

The Japanese have been trying for years without success. The Chinese are managing far better with their Pinyin version, which was approved by the last session of the conference in Athens in 1977.

What tipped the balance in favor of Pinyin was the fact that the

Chinese brought with them a new atlas with 20,000 names in Pinyin in it. The Russians, by contrast, have produced no written proof that the *Cornecoon* system, which they say was introduced throughout the Eastern bloc last year, is actually in use.

Several Western delegates said that the new version would apparently lead to a proliferation of by-paths and accent marks, which have an awkward habit of being dropped. Yalta, the site of the historic conference, would become *Alta*.

Whatever the Russians' motives, however, many delegates conceded that they have raised an important principle, that of whether one people (known in toponymy as the *donor*) has the right to tell others (receivers), how to write and pronounce their names.

Friede and nationalism may point in one direction, but experts say comprehension and cost point in the other.

4 European Nations to Plan Response to Trade Sanctions

Compiled by Our Staff From Dispatches
LONDON — British, French, West German and Italian officials will meet Friday in Brussels to discuss a common policy on President Reagan's sanctions against firms selling pipeline equipment in the Russian, the Foreign Office said Thursday.

Plans for the talks in Britain were announced after Mr. Reagan's trade representative, William E. Brock, conferred with British trade and foreign office ministers.

"We have such enormous respect for Prime Minister Margaret Thatcher and the people of this country that it is painful to have disagreed over this issue," Mr. Brock said as he left talks with Trade Minister Peter Rees. He said the Reagan administration was "obviously concerned by the reaction of our good friends here" to the sanctions threat.

He described the pipeline disagreement as temporary, adding that "what is needed is for us to sit down together and work this problem out."

New Talks Expected

Officials said Friday's discussion might lead later to a meeting of government ministers from Britain, France, West Germany and Italy to discuss the crisis.

Mrs. Thatcher, on tour in Scotland, rebuked Mr. Reagan Wednesday night for his sanctions

and vowed that Britain would bow or its deals with Moscow.

"We will stick to our deal. We want to deliver. We will deliver," Mrs. Thatcher said only a few miles from the Glasgow docks where British turbines are being loaded for Moscow's trans-Siberian pipeline. The loading of 500 crates of equipment is due to be completed Friday.

Hours after Mrs. Thatcher chastized Mr. Reagan for his pipeline ban, U.S. officials announced that sanctions against Britain's John Brown Engineering would be less severe than those imposed earlier against two French firms. Sanctions against all three firms now will be limited to oil and gas-related products, U.S. officials said. The embargo was imposed to protest martial law in Poland.

French Firm's Plan

In Nantes, France, directors of Creusot-Loire S.A., announced that they would ship 12 gas filters manufactured for the pipeline around Sept. 6. Creusot-Loire said it would eventually send 132 primary filters and 242 secondary filters for the pipeline. The company will also install three U.S.-licensed compressors shipped on Aug. 26 by Dresser France in defiance of a U.S. ban on exports to the pipeline.

"This delivery will be made in spite of the American embargo, which should not impede on the

activities of Creusot-Loire," said Dominique de Pas, a director in the company.

A West German firm said it will decide next week whether to defy the U.S. ban. AEG Telefunken gave no hint on what its decision would be, but it was expected to give weight to a West German government statement in favor of the shipment of 47 turbines worth \$70 million to the Soviet Union. The board of the financially troubled electric firm is scheduled to decide next week if its subsidiary, AEG Kanis, will fulfill the contract.

Reaction to U.S. Shift

Company executives and government officials in Western Europe reacted cautiously to Wednesday's announcement by U.S. Treasury Secretary Donald T. Regan that sanctions against firms defying the embargo will be limited.

Privately, John Brown officials hoped the U.S. move meant the company's contracts in supply electricity generating turbines to the Middle and Far East and South America would not be affected.

"But it's a bit of a gray area. It depends what Mr. Regan means by oil and gas technology," said one official.

In Paris, a spokesman for the

External Relations Ministry said: "The sanctions are unjust. Any reduction can only be welcome."

Russian Warns of New Arms Race Because of the U.S. Cruise Missile

(Continued from Page 1)

The United States said both times that we would regret not accepting. We take that as a threat to the Soviet Union. It concerns us greatly and makes us treat these proposals with all due attention."

"They are asking us to reduce arms which are the basis of Soviet defense," he said.

The United States says "their arms are not so destabilizing as ours," he said. "Our main feeling is that all factors, all arms in a strategic situation must be taken into account."

He drew some columns, representing U.S. and Soviet arsenals, with a small column beside them representing forward-based and allied systems. The small column does not make much difference when the other two are high, he said, but as the big arsenals are drawn down it becomes increasingly important.

"We gave our computer all the information, and we asked to what level we could go safely," Gen. Starodubov said. He then referred to a published report that the Russians had proposed a limit of 1,300 launchers, compared with the Reagan proposal of 850. He did not deny the accuracy of the report but said he could not confirm it because of the agreement not to give details of the Geneva exchanges.

He was also asked about the statement two weeks ago by a West German government spokesman that Bonn was asking Moscow to "clarify" President Leonid I. Brezhnev's March pledge not to deploy new SS-20 missiles targeted on Europe in light of intelligence showing that a new base had been added. He brushed it aside as a press report, saying it was false and speculating on ulterior motives in publishing it.

He refused to answer a question about the total number of SS-20s Moscow plans to deploy.

■ Soviet Missile Bases
Gen. Bernard Rogers, military commander of the North Atlantic

Policeman From Macao Is Released by Chinese

United Press International

MACAO — China has returned a Macao policeman who was arrested by border guards after crossing into Chinese territory while in pursuit of an illegal immigrant, an official said Thursday.

In returning the policeman, the Chinese authorities warned officials in Macao that the border between China and the Portuguese colony must be respected and that no further infringements should occur. The policeman had been held since Aug. 23.

Reagan Picks Ambassador

The Associated Press

SANTA BARBARA, Calif. — President Reagan has announced that he will nominate Rozanne L. Ridgway, a career foreign service official, to be ambassador to East Germany.

Great for Riding
Outdoors and in the "manège"

PALACE HOTEL
GSTAAD
SWITZERLAND

Please call:
Phone: 030/8 31 31 Telex 922 222
or the
"The Leading Hotels of the World"

Treaty Organization, said Thursday that Moscow had built three SS-20 nuclear missile bases since President Brezhnev proposed a moratorium in March. United Press International reported from Naples.

At a news conference at the start

of two months of NATO maneuvers in the Mediterranean,

Gen. Rogers said NATO had photographic evidence that the Soviet Union had built the bases. He said the Russians had 33 SS-20 bases, each holding nine missile launchers, when Mr. Brezhnev made his moratorium proposal to President Reagan and had since finished construction on three more sites and planned to build two others.



NEW HOME FOR ARAFAT — This villa near Tunis has been set aside for the PLO leader, Yasser Arafat, pending his expected arrival Friday. About 1,100 of his fighters have been put in a camp outside the capital by the government of President Habib Bourguiba.

Parts of U.S. Plan Rejected Before

(Continued from Page 1)

adopted in the past by elements of earlier Israeli governments.

The Arab reactions are likely to take weeks or even longer to develop in authoritative fashion, according to U.S. specialists. One of the reasons for announcing a definite U.S. position now was to do so before an Arab summit conference, which is to begin next week in Fez, Morocco, and thus possibly affect the future direction of Arab leaders at a crucial moment.

Many of the positions taken by Mr. Reagan Wednesday night had been espoused by earlier U.S. administrations at some stage of the Middle East bargaining.

What is new, and dramatically so, was bringing them together in a clear and definite statement by a president in a formal address intended to define the course of future negotiations.

What is most surprising is that Mr. Reagan, who previously had expressed only sketchy ideas about Middle East peace and had been considered unusually close to Israel, would take such an independent and detailed position.

Officials took pains Wednesday night to say the plan originated in two trips by Secretary of State Alexander M. Haig Jr. to the Middle East in January in an effort to restart the stalled negotiations on Palestinian autonomy.

In the spring the administration worked out a detailed scenario for moving ahead with the autonomy talks but, before this could be implemented, Israel invaded Lebanon on June 6. Mr. Haig resigned on June 25.

■ Shultz a Catalyst
His replacement by George P. Shultz in the top diplomatic job appears to have been a turning point. While considered a candidate for the same office before inauguration Day, Mr. Shultz made it known privately and publicly that he could not agree with what seemed to be the strongly committed pro-Israeli views espoused by candidate Reagan.

At his first confirmation hearing July 13, Mr. Shultz said "the crisis in Lebanon makes painfully and totally clear a central reality of the Middle East: The legitimate needs and problems of the Palestinian people must be addressed and resolved, urgently and in all their dimensions."

He gave no idea then or in fol-

lowing days how he would go about this, other than to say it should be through the process set in motion at Camp David.

Mr. Shultz began to give shape to definite ideas in a daylong meeting on the Middle East with former Secretary of State Henry A. Kissinger and other outside and governmental experts July 17, the day after being sworn in.

The crucial meeting, according to an administration official, was a lengthy discussion involving Mr. Reagan, Mr. Shultz and several other senior officials at Camp David on Aug. 14. The main lines of

the plan unveiled Wednesday

night were decided then, the official said.

It is clear from the large number of disputed issues, the likely uproar in several parts of the Middle East and the continuing tension in Lebanon that the U.S. plan faces great pitfalls.

But according to U.S. diplomats who shaped the Reagan plan, it is entirely clear that positive and lasting progress from the new era can result only from a U.S. leading role such as the one Mr. Reagan began to assert Wednesday night.

Israel Rejects Reagan Plan For Peace in the Middle East

(Continued from Page 1)

bia in an attempt to destroy Israel, it is an attempt to destroy Israel, it is an attempt to destroy Israel.

The statement analyzed Mr. Reagan's proposals one by one and contended that each was contradictory to the Camp David accords of 1978, the only framework for peacemaking that Israel recognizes.

The statement, which was read aloud by Mr. Meridor, said: "The plan calls for Jerusalem to participate in elections for the autonomous institutions of the West Bank. Israel said Jerusalem was not mentioned in the Camp David accords, and Mr. Reagan's proposals meant 'the redrawing of Jerusalem into Jewish and Arab authorities.'"

Mr. Reagan said the Palestinians should handle their own internal security. Israel said this would open the West Bank to the PLO and "continued bloodshed."

Mr. Reagan called for a freeze on Jewish settlement in the West Bank and Gaza. Israel said no such freeze was called for in Camp David. "And there will be no freeze on settlements."

Mr. Reagan said autonomy should apply to the land as well as to its people. Israel said it applied to the people only.

Mr. Reagan called for strong links between the West Bank and Jordan. Israel said nothing could prevent King Hussein of Jordan from turning the West Bank over to Palestinian rule.

Mr. Reagan, in his speech Wednesday night, said Jerusalem must remain undivided and made

no mention of internal security being handled by the Palestinians. However, the points may have been outlined to the Israeli government in private communications.

In Athens, Palestine Liberation Organization leader Yasser Arafat Thursday called an urgent PLO meeting in Tunis to look at the new initiative. A Tunisian plane with four members of the Tunisian Cabinet will fly to Athens Friday to pick up Mr. Arafat and take him in Tunis, Dimitris Maroudas, deputy press minister, said.

Saudi Arabia said it was studying the proposals, but initial commentaries by the state radio indicated the Saudis had some reservations about the plan.

Hussein, Fahd Confer

King Hussein conferred in Saudi Arabia Wednesday with King Fahd a few hours before Mr. Reagan said his announcement. Abdul Hadi Majali, Jordan's ambassador to the United States, said that his government was studying the proposal and that "there are very good, positive points in the peace initiative."

President Hosni Mubarak of Egypt will meet Saturday with foreign policy advisers to discuss the plan. "Right now we have nothing to say," a Foreign Ministry official said.

Syria described the plan as a "new misleading game" by Washington preceding next week's Arab League summit in Morocco.

when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves of the capital since the sectarian killing of the civil war.

Premier Shafiq al-Wazzan headed the convoy of armored cars and jeeps that rolled into the Moslem section one day after Palestinian guerrillas and Syrian troops completed their withdrawal from West Beirut.

Witnesses said Christian and Muslim militiamen fled into side streets as the police forces entered at the Sodeco Junction Crossing of the Green Line separating Beirut into Moslem and Christian sectors.

In an incident about 90 minutes later at that crossing, gunfire broke

out when Lebanese Army soldiers tried to order three armed leftist militiamen off the street. No injuries were reported.

The Lebanese government has been ineffective at controlling the Christian and Muslim halves

U.S. Says 1982 Farm Income Will Be Lowest Since 1933

By Ward Sinclair
Washington Post Service

WASHINGTON — The Agriculture Department, confirming what U.S. farmers have predicted for months, has predicted that net farm income this year will be \$19 billion, the lowest amount, when adjusted for inflation, since the Depression year of 1933.

It predicted that net farm income, the usual measure of agricultural stability, will drop for the third consecutive year, although not by as much as many trade sources had predicted. The figure represents farm income after meeting production expenses.

The report cautioned, however, that the picture could change substantially in final accounting, with commodity prices remaining depressed, and with the prospect of record corn and soybean crops and a near-record wheat crop.

The picture could be gloomier if it were not for direct government payments to farmers of about \$4 billion, three-fourths of it in the first quarter of the year. These include 1982 deficiency payments, advances on the 1983 crop and disaster payments.

"Major uncertainties surrounding these forecasts are fourth-quarter crop conditions, crop and livestock prices later this year, advance direct payments to participants in 1983 commodity programs and production expenses," the report said.

As an example of uncertainties in the report, it said that corn prices will range between \$2.35 and \$2.55 a bushel by the end of the year. That would represent a major and improbable price climb from the August average of \$2.19, the lowest mark for this basic grain since 1977.

The projection also said the value of U.S. agricultural exports is expected to drop by about 8 percent, or about \$3.3 billion to fiscal 1982, to \$40.5 billion. Although a record volume of 165 million tons is projected, this would be the first year-to-year decline in the value of farm exports since 1969.

Cash Receipts

There was a slightly upbeat side to the report. Department economists said that livestock receipts will increase 2 percent above last year's level, reaching a record high of \$70 billion, and that the recent steep inflation in production expenses has slowed substantially.

The report said these are expected to increase only 2 percent this year, compared with 9 percent last



SOCIALIST LEADERS MEET — Greek Premier Andreas Papandreu, left, and President Francois Mitterrand of France held four hours of talks in Athens on Thursday in which they discussed bilateral topics and the Middle East. They also met with Cabinet ministers of both countries responsible for health, welfare and cultural affairs to outline common aims.

Study Finds 2 Drugs Greatly Reduce Risk Of Catching Influenza

By Lawrence K. Altman
New York Times Service

NEW YORK — Either of two drugs, if taken early in an outbreak of influenza, can greatly reduce the chances of getting that serious and common viral infection, according to a study of 450 volunteers in Burlington, Vt.

A report on the two drugs, amantadine and its close chemical relative, rimantadine, was published in Thursday's issue of The New England Journal of Medicine.

Amantadine has been licensed in the United States since 1966. Rimantadine is not marketed in the United States.

Amantadine proved 91 percent effective in preventing influenza and rimantadine was 85 percent effective, compared with a dummy drug, or placebo, according to the team of researchers headed by Dr. Raphael Dolin at the University of Vermont.

Novel Test

The researchers said their study was the first reported evaluation of rimantadine in a scientifically controlled study as well as the first to compare rimantadine and amantadine in an epidemic setting.

The evaluation was made possible by two factors. One was the availability in the Burlington area of a well-developed influenza surveillance system that is financed by the National Institutes of Health in Bethesda, Md. The other was an outbreak of influenza there in the study period in 1981.

Of the three main types of influenza, A, B and C, only A and B are associated with epidemics, and they generally occur in winter months. Influenza A has caused most major influenza epidemics. Neither amantadine nor rimantadine combats influenza B.

Most American doctors and public health officials have been reluctant to recommend amantadine for several reasons. One is concern about its side effects, which tend to affect the brain and central nervous system. Another is that the protection lasts only as long as someone is taking the drug, whereas immunization covers a much longer period.

The new study involved 450 volunteers in Burlington, aged 18 to 45. The volunteers were chosen on a random basis to take amantadine, rimantadine or a placebo.

The volunteers were told to seek medical care if they developed any respiratory illness. In such cases, doctors tested for evidence of influenza virus and other organisms.

Of the 450 volunteers, 72 dropped out in the six weeks of the study. Twenty-two percent of the people in the amantadine group, about twice as many as the two other groups, dropped out for all reasons. Thirteen percent of the amantadine group withdrew because of side effects involving the central nervous system, such as insomnia, jitteriness and difficulty in concentrating.

The researchers found that influenza-like illness occurred in 41 percent of the volunteers who took a placebo but in only 14 percent of those who took rimantadine and 9 percent of those who took amantadine. Documentation of influenza by laboratory tests was found in 21 percent of those who took a placebo, 3 percent of those who took rimantadine and 2 percent of those who took amantadine.

Results of the study are not expected to change the general practice of making immunization the mainstay of preventing influenza.

However, more doctors may prescribe amantadine more often in outbreaks of influenza, according to a Journal editorial written by R. Gordon Douglas Jr., who heads the department of internal medicine at New York Hospital-Cornell Medical Center.

Dr. Douglas said that only after further tests could doctors determine which drug, amantadine or rimantadine, was superior.

U.K. Appeal on Disease

United Press International

LONDON — Health officials in Britain, where more than 33,000 cases of whooping cough and four deaths have been reported this year, have broadcast a national appeal to parents to have their children vaccinated. Nearly 2,000 cases were reported last week.

Unfilled Gaps in U.S. Social Aid Study Says Reagan Cuts Can't Be Made Up by Philanthropy

By Joanne Ormang
Washington Post Service

WASHINGTON — Nonprofit and volunteer organizations cannot fill the gap created by federal cuts in social programs during the next three years because they will lose \$33 billion in federal funds themselves, a research organization said Wednesday.

In what it called the first detailed study of nonprofit groups, the Washington-based independent research organization Urban Institute said only an unprecedented, and unlikely, increase in private giving would allow such groups to keep going at current levels.

It said neighborhood clubs and day-care centers, museums and medical complexes all get more

Fighting Khomeini on U.S. Streets

By Lynn Rosellini
New York Times Service

WASHINGTON — Once every week or two, Ali Ara and his friends haul out their portable gallows, their torture devices and their rubber Khomeini head and set out to demonstrate.

Sometimes they march up Connecticut Avenue. Sometimes they picket Dupont Circle. The other day, they were at Farragut Square, attempting to buttonhole lunchtime passers-by.

Mr. Ara, speaking in the hurried tones of one whose listeners frequently walk away, said, "We are here to show the people of the world the true face of Khomeini."

His sister, he said, was executed under the reign of Iran's leader, Ayatollah Ruhollah Khomeini.

"She was opposed to Khomeini," he said, standing near a colleague strapped to a mock electric chair. "She was 19 years old."

At a time when it seems that most Americans would prefer to forget about Iran, it is the mission of Mr. Ara and his friends to make sure they do not.

To that end, these members of the Muslim Iranian Students Society, with their banners, leaflets and street theater devices, have become a familiar presence in Washington's parks and on street corners.

Most of them were in the United States at the outset of the revolution in Iran and do not intend to return unless there is a change in the government.

Elsewhere among the park pigeons, a man dressed as the ayatollah shook his fist at a "prisoner" behind mock prison bars while a microphone blared.

The demonstrators' message was this: Every 25 minutes, someone is executed in Iran, and thousands more are political prisoners.

The students believe that Ayatollah Khomeini must be overthrown and replaced by a democratic government, and they are urging Americans to write to the ayatollah and to the United Nations secretary-general, Javier Pérez de Cuellar, to protest the executions.

But few of the well-dressed men and women paused on their way through the park to listen.

"The majority aren't interested in it," Mr. Ara said.

Rutgers Reopens a Building Closed By Fear of Carcinogen Contamination

By New York Times Service

NEWARK, N.J. — A Rutgers University building and laboratory that was closed seven months ago after high levels of a suspected cancer-causing hormone were discovered in the air was ordered reopened Wednesday. Since 1977, eight persons who worked in the building have been found to have cancer.

Dr. Norman Samuels, acting provost of Rutgers' Newark campus, said the building had been found safe for occupancy by the health authorities. Faculty members have argued that the cancer cases and a variety of other ailments were related to the use of estradiol benzoate, and other hormones in animal reproduction experiments by the Institute of Animal Behavior, which is on the top two floors of Smith Hall.

Until about \$500,000 in plumbing and ventilation repairs were made in late 1980 and early 1981, animal wastes routinely leaked into offices and classrooms below the laboratory. Hormones also circulated in the ventilation systems. Smith Hall was ordered closed Feb. 11.

Union officials expressed opposition to resumption of classes in the building. "Because Smith Hall is not established as a safe place to work, people should not go back in," said Wells Keddle, an associate professor of labor studies and president of Rutgers' chapter of the American Association of University Professors.

INTRODUCING A NEW YORK HOTEL SO ELEGANT, ONLY ONE NAME WOULD DO.

The Ritz-Carlton.

Royal blue canopies, picture windows and flowered terraces overlooking Central Park.

Spacious guest rooms appointed with hand-carved mahogany beds covered with embroidered English chintz. Upon your nightstand each night, a snifter of Courvoisier and a sweet Godiva chocolate.

And of course, The Jockey Club. A new restaurant that will set New York back 100 years. Paneled in 18th century pine, with luxurious leather banquettes and antique woodburning fireplaces.

Understated elegance as only one hotel could do.

THE RITZ-CARLTON NEW YORK

FOR RESERVATIONS WRITE OR CALL: 111 CENTRAL PARK SOUTH, NY, NY 10019, (212) 755-7000. TELEPHONE: (212) 755-7000 OR 755-7001

INTERNATIONAL REAL ESTATE

Princely! Studios, 2, 3, 4 rooms apartment.

In front of Principality of Monaco the very high subtlety of an ancient Florentine Palace.

Le Château de la Mer

ROQUEBRUNE - CAP MARTIN

For further information, please write to: O.C.I. 31, rue de Paris - 06000 NICE - FRANCE Tel. (93) 37.32.62

U.S. REAL ESTATE

Apartment building Houston, Texas. 334 units, 224,708 sq. ft. Excellent location. All comforts, price: \$10,500,000, cash \$2,500,000, profit 14.8%.

BREE REAL ESTATE

Bonham Street 49, 1000 Berlin St. Germany. Tel. 815-42. Phone: (0) 30/2137483. Arabic spoken.

The Côte d'Azur can still astonish you!

Discover the Domaine de Clairefontaine in Nice. You will be surprised by the site: a magnificent park of over 10,000 sq.m. in a residential district, in the heart of town. Astonished by the luxury of this residence with its swimming pool and apartments (from studio to 5 rooms). And above all, overlooked by the view before your eyes, the whole of the Baie des Anges, from the Cap Ferrat to the Cap d'Antibes.

Domaine de Clairefontaine

For free documentation please send your visiting card to: CORCEA, box 90, Mail Foch 06000 NICE - Tel. (93) 80.65.32. Please indicate the type of apartment you are seeking.

winzen

CONDOMINIUM APARTMENTS TORONTO - CANADA

Price from U.S. \$62,400 (Can. \$80,000) Cash from U.S. \$15,600 (Can. \$20,000)

GUARANTEED RETURN ON YOUR INVESTMENT

Sizes of Apartments from 1,050-2,000 sq. ft. Located in Toronto, the Most Prosperous City in North America

HERE IS A UNIQUE CHOICE TO OWN A RESIDENCE AND RECEIVE A GUARANTEED RETURN ON YOUR INVESTMENT.

Winzen Real Estate Limited, Suite 1116, 85 Richmond Street W., Toronto, Ontario M5H 2C9. Phone: (416) 863-0071 - Telex: 065-24301.

BY OWNER!

U.S.A. LOS ANGELES

Brand new four Mediterranean-style TOWNHOME VILLAS, luxurious, modern, traditional taste and style.

Located in prestigious Sherman Oaks. OFFERS: 3 bedrooms, 2 baths, built-in closets, wireless alarm, formal dining and breakfast room, large garden, detached two-car garage, swimming pool, tennis court, and selected beautiful cabinets & tile work. Single lot, 10,000 sq. ft. in concrete, stone, stucco, 3 fireplaces, barbeque, built-in pool, private entrance, front garden through stone wall, laundry and storage areas, double door entrance, wireless alarm, double windows above, several towers. Also swimming pool, tennis, lawn, and security parking.

All above is offered on a package for \$200,000 or to individual ownership, \$200,000 each.

For information call: Mr. Boland, 1 (213) 953-2131 or 1 (213) 799-8872.

Office of the Notary Public Gerald Snyers d'Attenhoven

Avenue Louise 131 A - 1050 Brussels (Belgium) Tel.: 2.5389490

Tuesday, September 21st, 1982 at 10:30 a.m.

at the Court of Justice of the Peace of Saint Josse ten Nood, 29 Rue du Méridien, Public Auction:

BRUSSELS (Commune of Saint Josse ten Nood)

PALACE HOTEL

22 Place Rogier, Real Estate Registration Section A No. 119/B/5 and 119/D/5 for 28 A. 60 CA.

Exceptional commercial building comprising 7 floors, for use as luxury hotel, includes 360 rooms, cafeteria, bar, restaurant, reception rooms, kitchen, administrative and servants premises. Independent commercial premises on ground floor and basement.

Large switchboard (1971).

Annual real estate tax: B.F. 9,806,500. Immediate occupancy. Reserved minimum bid: B.F. 30,000,000. Possession upon price settlement.

For information and appointment, please contact the office of the notary public.

SPAIN

Inside Marbella-Club

One of three private bungalows for sale, 150 sq.m., 2 double and 2 single sleeping rooms, 3 baths, large charming living room, double door entrance, wireless alarm, double windows above, several towers. Also swimming pool, tennis, lawn, and security parking.

PRICE: DM 700,000.- or foreign equivalent.

Tel.: West Germany 431-15050 Mrs. Siegmund (working hours) or Telex: West Germany 292606

FURNISHED EXECUTIVE SUITES

Conveniently located on short term, DAILY or WEEKLY basis. Completely new private offices, offering reception, personalized telephone answering, secretarial services, typewriter, conference room, hotel amenities. Located in the STABLE BUILDING, adjoining the Boston Park Plaza Hotel.

CALL: (415) 425-9990 (Toll-free) 1-800-368-3688

Saunders & Associates

Exclusive Licensed Managing Agents

Forbes Wagon Creek Ranch

Your legacy: A 40-acre ranch and a way of life

As big as all outdoors, Forbes Magazine is now offering substantial land for skiers, hunters, naturalists and lovers of America's magnificent Old West.

For the pleasure of you and your family today, these ranch estates range in size from 40 to 74 acres. They are adjacent to the Forbes Trinchera Ranch in southern Colorado, and will be an important legacy in the future of your loved ones.

Prices start at \$25,000, with down payment as low as 1% and monthly payments of \$250, including interest at 9%. For details and color brochure write or phone: P. McCaldin/Forbes Europe Inc. P.O. Box 86 London SW 11 3LD, England 01-223 9066

RESIDENTIAL PROPERTIES

on the FRENCH RIVIERA, PROVENCE REGION LANGUEDOC-ROUSSILLON & CORSICA

FRIDAY OCTOBER 15

To place on advertisement contact our office in your country (listed in Classified Section) or:

Max Ferrero,
International Herald Tribune,
181, Ave. Charles-de-Gaulle,
92521 Neuilly Cedex, France.
Tel.: 747.12.65. Telex: 613595.

When you need a Texas real estate specialist, Contact The Local Authority.

As the largest full service real estate firm in Texas and the Southwestern U.S., we provide expertise in property acquisitions and management.

Please note special interest in request to:

HENRY S. MILLER CO. REALTORS

Henry S. Miller Jr. Chairman
Corporate Headquarters
2001 Bryan Tower 30th Floor
Dallas, Texas 75201
214-742-9171 Telex 73-2459

Austin Dallas El Paso Fort Worth Houston San Antonio San Diego

FOR RESERVATIONS WRITE OR CALL: 111 CENTRAL PARK SOUTH, NY, NY 10019, (212) 755-7000. TELEPHONE: (212) 755-7000 OR 755-7001

Herald Tribune

Published With The New York Times and The Washington Post

Gomulka's Polish Pride

From THE NEW YORK TIMES

The career of Wladyslaw Gomulka, who died Wednesday at the age of 77, was defined by the nationalist workers' movements that prepared the ground for Solidarity. If this week's confrontations with Gen. Wojciech Jaruzelski's riot police reflect the continued strength of those movements, they also echo the events of Gomulka's years in power.

Though he finally proved unable to serve Communism and Polish workers simultaneously, Gomulka will be remembered as a man of courage and a true Polish patriot. Jaruzelski demonstrated again this week that he is neither.

Gomulka was swept to power in 1956 by a workers' rebellion against Stalinist colonial rule and swept out 14 years later when the workers of Gdansk lost patience with his failure to fulfill the hopes he had once aroused. A tough Communist, the Gomulka of the 1940s and '50s was also undeniably a proud Pole, who bravely defended his country's interests against a Kremlin accustomed to absolute obedience. For standing up to Stalin in favor of a "Polish road to Socialism" he suffered three years' imprisonment. No sooner

was he "rehabilitated" than he proceeded to defy Nikita Khrushchev in a famous face-to-face confrontation.

Backed by the aroused workers of Poznan and Warsaw, Gomulka prevailed. He wrenched Poland's military away from direct Soviet command and repaired relations with the Polish hierarchy of the Roman Catholic Church, consolidating real popular support.

By the late 1960s, however, he was hemmed in between the demands of the workers he had once championed and the bureaucratic inefficiency of the system he ruled. The end came after Polish troops were used against rebellious shipyard workers in Gdansk. His downfall thus marked a new phase of the nationalist workers' revolt. Gathering greater force, that movement overpowered his successor, Edward Gierek, and his successor's successor, Stanislaw Kania. Jaruzelski now hangs on only through bloody repression.

He defies only Poles, and offers no hope of a happier future. In the face of problems that undid Gomulka, Jaruzelski has yet to display any of his predecessor's strengths.

Pesos and Panic

From THE WASHINGTON POST

The first priority for the Mexican government is to stop the panic-stricken rush of money out of the country. To do that, as the government has now demonstrated, it is prepared to go to extraordinary lengths. The nationalization of the banking system was necessary, President Lopez Portillo decided, to provide assurance that the government's exchange controls would actually be enforced.

The peso's long slide began with weakening oil prices and domestic inflation. In January, the peso traded at 27 to the American dollar. In February, it fell to 45. In early August, when the government announced that it could no longer continue to support that rate, it fell to 77. Since then, the movement out of the peso has turned into a stampede. People have been struggling to get their wealth into other currencies by carting it in suitcases across the border, by hastily moving bank deposits around, by selling securities to raise portable cash. Currently the peso is trading at about 120 to the dollar.

Exchange controls are over an attractive remedy. They are hard to operate and harder still to operate fairly. The initial impact fades fast. That is particularly true in a country like Mexico, with an open economy, a big tourist industry and close ties with financial centers abroad. It does not take the sharp-pencil crowd long to figure out ways to move capital disguised as the normal flow of trade.

Other Editorial Opinion

The Pipeline Dispute

The sad feature of the current squabble over shipment of equipment to the Soviet Union for a new pipeline is that the wrong people are getting muddled. The victims now appear to be American corporations and European allies rather than the Soviet Union. The Reagan decision to embargo shipments of pipeline parts by American subsidiaries in Europe was unilateral. The French and Germans, who stand literally under Soviet guns, never accepted the American view that their security would be endangered by the pipeline agreement. The agreement provides for their assistance in building the line from Siberia in exchange for long-term purchases of the natural gas the line will transport.

The Reagan administration is making itself look bad on several counts. The embargo, imposed in retaliation for the Soviet role in Poland's political upheaval, has had no discernible impact on behavior. The administration is engaged in a test of will, not with the Soviet Union but with the French and Germans. That's terrific. Who do you suppose will win? No one.

From a purely practical point of view, there is an argument to be made for letting the whole pipeline project proceed with no further opposition. Reports from the Soviet Union indicate a series of problems in the construction phase already. (As propaganda) it would be wise to let Soviet managers struggle in the company of assistance rather than being able to blame Washington for their own apparent shortcomings.

—The Globe (Boston).

On Biological Weapons

Soviet forces in Afghanistan waged a fierce battle in the late spring for control of the strategic Panjshir valley. Surprisingly, U.S. intelligence hasn't yet detected any evidence that the Soviets used chemical warfare agents in the intense fighting.

In the past, the Soviets have frequently and effectively used chemical weapons in the rugged Afghan terrain (and) Vietnamese and Laotian troops, who are supplied by the Soviets, are continuing to conduct "yellow rain"

attacks. But the numbers seem to be dropping and there is evidence here too of at least some sensitivity to outside opinion.

[But] even if there are signs of a growing sense of guilt, there is no evidence of any policy change that is anything other than temporary. Chemical warfare readiness is ingrained in the entire Soviet military, including the navy, missile command and air force.

All of this preparation and testing has been taking place in the face of explicit treaties banning the use of chemical and biological weapons.

—The Wall Street Journal (New York).

Lebanon's Future

As the final groups of Palestinian Liberation Organization guerrillas evacuate West Beirut, the temptation is to breathe a sigh of relief that the war in Lebanon finally is over. But as one war comes to an apparent close, another looms.

The rightist Christian Phalangists led by Lebanon's newly elected president, military leader Bashir Gemayel, enjoy the support of the occupying Israeli Army. That has only exacerbated the smoldering conflict between the Phalangists and Moslem leftists, and it threatens to rekindle the hostilities that led to the 1975-76 Lebanese civil war.

The most powerful leftist group, the Morabitoun, have inherited many heavy arms from the departing Palestinian troops — an apparent violation of the evacuation agreement. That has led Israel's military chief of staff, Lt. Gen. Rafael Eitan, to warn...

...the Morabitoun will not be allowed to remain in West Beirut because it is "no different from any other terrorist organization as far as Israel is concerned." The developments portend continued strife in Lebanon with the ominous possibility of a civil war in the offing. Since Israel has aligned itself with the Christian Phalangists, it now could find itself embroiled in a civil conflict in Lebanon that could have long-term political consequences.

Such an Israeli role... probably would mean an indefinite extension of Israel's occupation of Lebanon. And that would be unacceptable.

—The Times Herald (Dallas).

For the Camp David Process

By Jimmy Carter

The former president wrote this for The Washington Post.

WASHINGTON — At Camp David, President Sadat, Prime Minister Begin and I had to address three general questions, involving Palestinian rights, Israeli security, and land. Based on our best answers to these questions, the final documents were signed with great ceremony, and there were fervent mutual pledges of "no more war."

Now, not quite four years later, another war has left thousands dead and tens of thousands of new refugees. Although most of the Palestinian leaders fighting under the PLO banner have survived, their heavy armaments have been destroyed or confiscated by the invading forces of the Israelis, and they have been driven from Lebanon and dispersed to several Arab countries. However, the Palestinian question — still the most crucial factor in the search for permanent peace in the Middle East — has not been resolved. In fact, because their flight has again been brought to the forefront of the world's attention, the search of several million Palestinians for a homeland and the full rights of citizenship may have gained some public support, even within the United States.

Israeli Security

The second question, concerning Israeli security, has been answered much more clearly. With the severe damage to the PLO army and the dispersal of its leaders, the peace treaty with Egypt resulting in the demilitarization of the Sinai and the proven power of the Israeli forces, there is no longer any real possibility that an assault from any direction could seriously threaten Israel. With continued American economic and military assistance, this situation is unlikely to change for many years to come.

a) In spite of some statements to the contrary, Prime Minister Begin and his government pledged at Camp David that "the agreed basis for a peaceful settlement of the conflict between Israel and its neighbors is United Nations Security Council Resolution 242, in all its parts."

There was a further commitment that this understanding is to apply not only to Israel and Egypt, but between Israel and each of the other neighbors which is prepared to negotiate peace with Israel on this basis.

Therefore, an opportunity to resolve remaining differences with Israel under the principles of UN Resolution 242 remains available to all her neighbors.

b) There were further pledges by all parties to work for "the resolution of the Palestinian problem in all its aspects." For an interim period not to exceed five years (this is not a permanent situation), a self-governing au-

thority is to be freely elected by the inhabitants of the West Bank and Gaza to replace both the Israeli military government and its civilian administration, which are to be withdrawn from these occupied territories. During this interim period, some remaining Israeli forces will be deployed in specified security locations. Full autonomy is to be granted to the Palestinians, as negotiated by their representatives with Egypt, Israel and Jordan. The United States is to participate in these autonomy talks. The delegations may include Palestinians from Egypt and Jordan, from the West Bank and Gaza, or from other places as mutually agreed. In the absence of Jordan and the Palestinians, Sadat reluctantly agreed that Egypt would assume their negotiating role after consulting with other Arabs. This process is waiting to be pursued.

c) The same Camp David agreement further provides that after the self-governing authority is established, a five-year clock will begin to tick, during which time negotiations will be conducted to determine the final status of the West Bank and Gaza. Also during this time, a peace treaty is to be concluded between Israel and Jordan.

Resolution 242

"The negotiations shall be based on all the provisions and principles of UN Security Council Resolution 242," and "will resolve, among other matters, the location of the boundaries and the nature of the security arrangements. The solution from the negotiations must also recognize the legitimate rights of the Palestinian people and their just requirements." "The Palestinians will participate in the determination of their own future" by



On Cutting Social Security Benefits

By Horace W. Brock

MENLO PARK, Calif. — Social Security reform has emerged as the thorniest issue on the domestic political agenda. Ballooning entitlement programs portend swelling federal deficits, high interest rates and low economic growth for years to come. Yet the response thus far has been paralysis at every level of government — for men means cuts in benefits, and there is no political will for cuts because most Americans think they would be unfair to the elderly.

Perceptions about equity lie at the heart of the matter and largely determine its politics. Yet precisely because this is so, there is hope. For moral philosophical analysis reveals our understanding of "fairness" to be curiously inverted. True justice calls for a significant reduction in Social Security benefits. And once this becomes appreciated, there should be a groundswell of support for reform.

What is required at the outset is a deeper understanding of what fairness means in the intergenerational context of national retirement planning.

First, our society must redefine "the elderly" to include not only today's retirees but tomorrow's as well. Second, the principle of intergenerational fairness is needed to indicate the proper balance between the needs of both these groups. Moral theory offers only one compelling principle in this regard: that of equal treatment or nondiscrimination between generations.

It is possible to measure how much Social Security discriminates between any two generations by constructing an intergenerational "inequality ratio" as follows: First, compute for each generation its per capita or rate of return from Social Security by comparing total contributions with total benefits; next, simply form the ratio of the two resulting numbers.

In a study currently under way, my company has computed the inequality ratio relating the prospects of today's retirees and the "baby-boomers" who will retire after the year 2010. Using the Social Security Trustees' own demographic and economic assumptions, we found that the resulting ratio is 2.5 to 1 in favor of today's retirees — that is, today's elderly have a 250 percent better deal than today's young can expect when they retire.

This ratio, however, in fact understates matters, for it assumes that if baby-boomers are to receive their scheduled benefits, their progeny will bear 40 percent payroll taxes — triple today's 13.4 percent Social Security tax. But since such a tax rate would be politically unsupport-

able, America could expect to witness successive compromises that would reduce baby-boomer's benefits. For example, the retirement age would be bumped up to 72. When these political realities are factored in, the inequality ratio jumps up to an outrageous 4 to 1 or even 6 to 1 if the economy performs poorly.

These ratios have more meaning if they are translated into "payback period" language. A single worker reaching age 65 this year will receive back from Social Security his lifetime contributions and accrued interest in 3.25 years. If a 5-to-1 inequality ratio prevails, then it will take the equivalent baby-boomer about 16 years to recover his or her contribution.

How would Social Security have to be changed in order to pursue the idealized fairness of a 1-to-1 ratio? Computations show that today's benefits would have to be slashed by 30 percent, and the entire program would have to be substantially de-indexed — that is, benefits would no longer escalate at the inflation rate.

Any politician proposing such reforms would be branded a moral monster who condemns many elderly people to a diet of cat food. Yet in fact it is today's status quo that will truly stimulate pet-food sales. It will see four baby-boom pensioners on cat food for every one retiree eating such fare today.

If the moral arithmetic adds up to immediate reform, what about the political arithmetic? The elout of some 26 million senior citizens is well known. Less well known is the existence of 81.5 million working Americans under the age of 50 whose interests are increasingly jeopardized by the retirement system. These citizens have been silent until now. But as the unfairness of the current Social Security program becomes recognized, this giant may awake from its political slumber.

Reform should justly be spearheaded by the young who are being so mistreated coming and going; coming, because the retirement system contributes to the high interest rates that diminish their prospects for jobs and homes when young; and going, because their terminal reward will be a postponed retirement in degradation. And all this will have been the legacy of today's politicians who dare to stymie reform in the name of "fairness."

The author, president of Strategic Economic Decisions, Inc., an economic consulting firm, contributed this commentary to The New York Times.

Pipeline Lesson: U.S. Power Limited

By Stanley Karnow

WASHINGTON — The dispute between the Reagan administration and the West Europeans over the Soviet natural gas pipeline will eventually be resolved in some kind of face-saving compromise. Yet it seems to be another symptom of the America's changing world position.

For Reagan's inability to compel European allies to subscribe to his trade sanctions against the Soviet Union again underlines the limitations of U.S. power.

This is not to suggest that the United States has become a "pitiful helpless giant," to use former President Nixon's term. On the contrary, it is still economically, militarily and politically pre-eminent.

But Washington can no longer dictate either to its friends or to its adversaries — which means that it must begin to adjust to the fact that its global authority is circumscribed.

Reagan has not been able to face that fact squarely. A product of the period following World War II, when U.S. prominence appeared to be uncontested, he has clung to the conviction that America is the reincarnation of the British Empire. In reality, though, the United States was never

as strong as Americans believed. And now, more than ever, its claims to predominance are being challenged. The conventional wisdom holds that America's decline started with Vietnam, where the United States squandered its resources and its prestige in an unwinnable war. Looking back, however, I think Vietnam was as much a reflection as a cause of America's decline.

America plunged into Southeast Asia under the illusion that its obligation was to promote its cause around the world. But, given that assumption, the area could have been someplace other than Vietnam. And the results might not have been any more successful. For, by the early 1960s, the United States was already overextended.

Even without Vietnam, the Middle East oil producers would have contributed to the energy crisis, as they did in late 1973, throwing the industrial democracies into disarray. Nor can the rise of the Ayatollah Khomeini be attributed to Vietnam.

The energy crisis lies at the core of the pipeline controversy. Dependent on imported petroleum, the West European nations turned to the Soviets for natural gas to reduce their reliance on the unpredictable Middle East producers.

President Carter tried to discourage the West Europeans from making such a deal. He gave up, however, concluding that too much U.S. pressure would disrupt the Atlantic alliance.

Reagan figured otherwise. But France's defiance of his embargo has evidently convinced him that he has gone too far. Instead of getting into a conflict with the governments of allied countries, he is penalizing the companies that refuse to renege on their contracts with the Soviets.

But if Reagan has retreated from a policy that was doomed from the outset, the broader question is whether he has learned a lesson from the experience.

The lesson that he ought to have learned is that he must accept the world as it is, and not as he would like it to be. And the world as it is, complex and variegated, cannot be dominated by any nation.

Tribune and Register Syndicate.



What Step Is Next for Russians?

By Leopold Unger

BRUSSELS — The Kremlin has not yet said its final word about the end of the Lebanese war or about the situation that the cease-fire has created.

The approach the Soviets took during the fighting — violent verbal assaults, but no action — may well continue, since although the two elements of the policy appear contradictory they are really complementary.

Soviet propaganda about Lebanon has been marked by long outbursts, and all the excesses of language in Western Europe, particularly in France over the siege of Beirut, were just small talk compared to the comments of the Soviet press.

Tass and Pravda, for example, referred to Israeli officials as "the criminals of the 20th century." Cynics and chauvinists blinded by racism who have to be put in straitjackets. The war was called a "gigantic holocaust" perpetrated by the "degenerate Begin, who models his actions on Hitler, on Mein Kampf and on the Brown Flag." (The Russian name for Hitler's brownshirt and for fascism in general.)

Tass said the United States "wrote the scenario for the massacre and shares the guilt for the crimes of the Israeli bandits." And the Soviet news agency added that "the American press is controlled by the Zionist lobby and acts in favor of Israel."

That influence, the agency said, "distorts the White House because the president is a puppet, a product of Hollywood and the major movie companies are in the hands of Zionists."

There is little in the allegations that is new and, with the exception of the last flight into fantasy, they are much the same as ones made in 1967 and 1973.

What is new, however, is that in the past the Soviet Union was able to play a role in the Middle East, alongside the United States. That role, it is now, is practically left out of the picture.

Yet, if the violence of the language is symptomatic of a certain inability to act, it also has given the Kremlin time to think about the future.

The Kremlin probably adopted its current attitude over Lebanon between Aug. 1 and Aug. 4, when the Israeli bombardment of Beirut and the advance of Israeli armor convinced Moscow that Israel was determined to eliminate the Palestinian Liberation Organization from Beirut.

It also probably saw that the time had passed when Washington's veto bombing was not working. And the possibility of Arab states, which, as Tass noted, "were not even able to get a summit meeting together to decide on a common strategy," did not rest.

The Kremlin, therefore, turned to the future and set down one basic principle: With or without the PLO, the Palestinian problem will remain the main issue in the Middle East. Moscow also set down a number of goals to be attained if it is again to play a major role in the Middle East. And the Soviet Union will salvage the remains of the PLO and to turn it into the greatest political force possible, if only because of its "humanism in leaving Beirut victoriously to prevent the killing of innocent civilians." The Kremlin will also try to keep near the unpredictable Yasser Arafat a number of men in whom it has greater confidence, such as George Habash, an enthusiastic supporter of the Soviet invasion of Afghanistan.

Syria will continue to receive diplomatic and military assistance as it did before and during the Beirut siege. And the concept of a Palestinian state on the West Bank of the Jordan, will be launched again, using all types of assistance, including that of anti-Semitic extremists.

All that should be able to keep the Middle East in a no-peace-no-war state, prevent negotiation of a "Lebanese Camp David" agreement that could eventually develop into one including Jordan, and to give Moscow the means to influence the situation.

Moscow will use those means to the end of the early stages of the talks. Saudi Arabia and other Arab states, which would need to acquiesce in such an arrangement.

The Palestinians would have little, if anything, to lose, and potentially a lot to gain. If the Camp David commitments are honored, the West Bank and Gaza residents will gain full autonomy and the early withdrawal of the Israeli military government, plus a strong voice (and even the right of ultimate approval in a referendum) in determining the final status of the occupied territories — either eventual independence or affiliation with Jordan or Israel. The United States and the rest of the world would benefit from another major step towards harmony in the Middle East, and Israel would finally gain security, full recognition, and peace with her neighbors.

It was the bright vision I shared with Sadat and Begin four years ago. It must not now be obscured by war-like rhetoric and continued hatred among neighbors, or by timidity or reluctance within our own government to address these crucial issues.

International Herald Tribune.

LETTER TO THE EDITOR

Jordan's History

Regarding "History of Israel Differs From History for Jordan" (11/7, July 22): So the Jordan Ambassador to Switzerland thinks that Jordan, formerly Transjordan, was "never part of the Palestine." This is hardly true as the Mandate document of 1922 described the area as "The territories lying between the Jordan and the eastern boundary of Palestine as ultimately determined."

The object of this division of Palestine in 1922 by Churchill was to make eastern Palestine an exclusive Palestinian Arab homeland, and confine the Jewish homeland, as envisaged under the Balfour Declaration, to western Palestine. E.E. Mr. Salah cannot use this argument to throw off all responsibility for his fellow Palestinians, particularly as Jordan annexed the West Bank in 1950, which

is why it changed its name from Transjordan to Jordan. No attempt was then ever made in the next 17 years to set up a separate West Bank state.

Jordan is in permanent breach of Article 33 of the UN Charter in its refusal to negotiate a peace treaty with Israel; such negotiations are the only way the Palestinian problem can be sorted out.

DAVID M. JACOBS
St. Albans.

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the readers who submit them.

SEPT. 3: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Cost of Philippines

WASHINGTON — It has cost the United States approximately \$400 million to acquire and hold the Philippine Islands. That conclusion is fairly warranted by data presented herewith. The Herald has raised the pertinent question whether the game is worth the candle. The figures are buried in a bulk of War Department accounts extending over nine years. The account is practically all a military one. If full charge is made for all operations of the Army and Navy, commencing with the invasion and conquest, running through the quenching of the stubborn rebellion and carried down into the police work in peace, the total bill is near \$400 million, growing at the rate of \$30 million per annum.

1932: Mayor Walker Resigns

NEW YORK — Mayor James J. Walker, confident and debonair chief magistrate of New York City, resigned in the face of fire against his conduct in office and announced that rather than submit to "trial" before Gov. Franklin D. Roosevelt, who has been hearing ouster charges, he would seek vindication of the people in a mayoralty election. His resignation, which was announced as a protest against the hearings being conducted by Gov. Roosevelt, carried a bitter indictment of the procedure at Albany, N.Y., in which he charged that he had been deprived of every constitutional right and that he was being made the victim of "an inquisition" and "lynched to satisfy a political ambition."

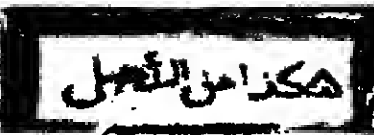
JOHN HAY WHITNEY (1904-1982), Chairman
KATHARINE GRAMM and ARTHUR OCHS SULZBERGER, Co-Chairmen

LEE W. HUBNER, Publisher
Executive Editor: PHILIP M. FOISIE
Editor: WALTER WELLS
Managing Editor: ROBERT K. MCCABE
Deputy Editor: SAMUEL A. ART
Associate Editor: CARL GEWIRTZ

ROLAND BONNY, Associate Publisher
Director of Finance: FRANCIS DESMAISON
Director of Advertising: RICHARD E. MORGAN

International Herald Tribune, 181 Avenue Charles de Gaulle, 92000 Neuilly-sur-Seine, France
Telephone 747-1265. Telex 612718 (Herald), Cedex Herald Paris.

Directeur de la publication: Walter N. Thayer.
General Manager, Asia: Alain Lencor, 24-34 Hémery Rd., Hong Kong Tel. 5-28 36 18. Telex 61170
S.A. du capital de 1,200,000 F. R.C.S. No. 232021126. Commission Paritaire No. 34231.
U.S. subscription: \$300 yearly. Second-class postage paid at Long Island City, N.Y. 11101.
© 1982, International Herald Tribune. All rights reserved.



Private U.S. Investors Are Ready to Attempt Again to Launch Free Enterprise Into Space

By Dan Balz

WASHINGTON—The scene in the hotel here had all the trappings of a NASA briefing, with talk of payloads, comings, goings, and a NASA official who was clearly in charge. But it was not a NASA briefing. It was a meeting of the original Project Mercury astronauts, Donald E. (Deke) Slayton.

But it will be free enterprise all the way Wednesday when, on a remote island off the south Texas coast, a group of investors hopes to launch the first successful commercial space venture in U.S. history.

A year ago, Space Services Inc. of America, a Houston-based firm, tried a similar experiment. It ended when a valve froze and the liquid-fuel rocket exploded on the launch pad. A year later, with a full complement of expert subcontractors, Space Services Inc. (SSI) is prepared to try again.

The chances of success are "99 and 44/100 percent," said Mr. Slayton, who became SSI's vice chairman after retiring from the

National Aeronautics and Space Administration in March. "It's no longer the original amateur hour," another company official said Wednesday.

Quick Transportation

The eventual goal of SSI is to provide quick, inexpensive transportation into space for private companies that want to put their own satellites. If all goes well next week and with future test flights, the company hopes to be ready for paying customers by 1985. But all of that depends on a successful suborbital test. "What we're doing here is still a trial," cautioned David Hannah Jr., SSI chairman. "We still haven't launched a rocket yet."

Until that happens, corporate customers will continue to rely on NASA to get their payloads into space, or turn to foreign companies now in the business.

SSI has come a long way since last summer's failure on Matagorda Island. Instead of using a liquid-fuel rocket built by a private

company, SSI will send up a solid-fuel booster leased from NASA for \$365,000. Solid-fuel rockets are considered more stable, and the rocket motor that SSI has purchased, a Minuteman II second stage, has an excellent record. Company officials said the motor has achieved 18 consecutive successful launches for the government.

Space Services Inc. has also brought in expert subcontractors to help with the project, including Space Vector Corp., which assembled the rocket and is in charge of the launch. It has performed a similar job for various government agencies. "We didn't even know about them last year," Mr. Hannah said.

Flight Overseer

Another major change is the arrival of Mr. Slayton, who is overseeing all aspects of the test flight. "He's been a tough taskmaster," said SSI spokesman Walter Pennino. Mr. Slayton, grounded from space flights because of a minor

heart problem, was director of flight crew operations for NASA. The launch is scheduled for no earlier than 10 a.m. Wednesday at a newly built launch pad on Matagorda Island, off the Gulf of Mexico coast northeast of Corpus Christi. The land is owned by a subsidiary of the American Liberty Oil Co. of Dallas, whose chairman, Todd Lee Wynne, is one of Mr. Hannah's financial backers. The Federal Aviation Administration gave its approval Tuesday for the launch.

The 39-foot rocket (12 meters), called Conestoga I after the covered wagons used by U.S. pioneers in the 19th century, is expected to be launched on a 10-minute, 26-second flight and to reach an altitude of 167 nautical miles. A mock payload will be aboard; the test calls for it to separate from the booster and continue 279 nautical miles down-range. The equipment is scheduled to land in international waters in the Gulf.

SSI officials estimated that the launch will cost \$2.5 million. Last



Donald K. Slayton

year's test cost about \$1.2 million. Mr. Hannah was asked why he and his fellow investors — nearly all are Texans — are trying to become the first private U.S. space company.

"It's a hard business deal," he replied.

Ecological Bid to Clean Up Lake Backfires on Officials in Oregon

By Barry Siegel

LOS ANGELES TIMES SERVICE

BLUE LAKE, Ore. — The idea seemed a good one. Multnomah County officials did not want to use herbicides to kill milfoil, an abundant 10-foot (3-meter) tall aquatic weed that threatened to choke the Blue Lake, east of Portland.

Instead, last winter they lowered the level of the milelong (1.6 kilometer) lake 10 feet by pumping water into the nearby Columbia River, figuring that exposure to winter's freezing temperatures would kill the milfoil.

Come spring, the officials thought, the natural subsurface flows from the Columbia would refill the 64-acre (25.6-hectare) lake.

Nothing worked out that way. Winter temperatures never got cold enough to kill the milfoil. And the Columbia never rose high enough to refill the lake.

Several of the 125 lakeside homes ringing Blue Lake have become mudslide homes. Docks and sea walls that once sat in water now rise from marshes of weeds and cattails.

Some banks and docks have started caving in. Cracks have formed in the sloping lake bed. Mosquitoes have multiplied in stagnant water.

Gordon Malfouris, a homeowner on the lake's east end, stared at the water, a good 50 feet away and said, "The county officials are plain incompetent. They should resign. This is a classic example of bungling."

But the saga of Blue Lake has as much to do with spending federal grants and correctly reading shifting political winds as it has to do with bungling.

For the last three years, the residents who own half of Blue Lake have successfully combated milfoil on their side with an herbicide containing a chemical called 2,4-D. When County Executive Don Clark turned his attention to the problem in 1977, he insisted that no herbicides be used. Through a spokesman, Mr. Clark said he was concerned about unknown long-term effects of 2,4-D.

The chemical 2,4-D is a widely used herbicide approved by the federal Environmental Protection Agency and Oregon's Department of Environmental Quality. Studies into whether 2,4-D is carcinogenic have been inconclusive. But 2,4-D sounds similar to 2,4,5-T, which has been linked to deaths and birth defects.

Some homeowners and county officials believe that Mr. Clark did not want to be linked to anything that might have sounded dangerous, even if it was not.

Whatever the reason, the county hired a Portland environmental consulting firm, Beak Consultants, in 1978 to study alternate solutions to the Blue Lake problem.

Beak Consultants recommended using 2,4-D, along with a strict monitoring program, and recommended against the lake drawdown plan, doubting that the Oregon winter would be harsh enough to kill the milfoil.

Mr. Clark still did not want to use herbicides, so the rescue project languished. In 1981, the consultants reconsidered and said the drawdown might work.

What made the drawdown plan particularly attractive was the availability of federal funds, through the Environmental Protection Agency's clean lakes program.

County officials acknowledged recently that they probably would never have undertaken the experiment if they had had to pay for it themselves. The federal government provided almost \$100,000. The county spent only \$5,000.

Late in July, the county sprayed Blue Lake with a 2,4-D compound. Virtually all the weeds have died.

No new evidence has surfaced since 1978 to reassure anyone about the chemical's effects. But new evidence did surface about public attitudes. On July 12, county officials held a public hearing about Blue Lake. No one opposed the chemical.

Alaska, Hard Hit by Alcoholism, Beginning to Fight Back

By Jay Mathews

DILLINGHAM, Alaska — The tall fisherman, incoherently drunk and bleeding about the face from a fight, refused to leave the tiny lobby of the Dillingham Hotel. But hotel manager Lois Robinson, 45, had lived long enough in this little fishing port, one of the most alcohol-ridden towns of a liquor-prone state, to know what to do next.

From behind the hotel counter she produced a large wooden baseball bat, and, hitting with as much force as a 125-pound woman can muster, pummeled the intruder on the back and shoulders as he slowly retreated out the door. Incidents like that happen at least once a day, she later told a shocked witness.

Alaska may have the most unself-consciously alcoholic resident population in the country. The small towns of the bush and the long seacoast nearly all share Dillingham's hard-drinking habits. Anchorage seems almost to cherish its district of cheap saloons.

The Alaska Council on Prevention of Alcohol and Drug Abuse said the state has two and one-half times as many bars and four times as many liquor stores per capita as the national average, and liquor in

to reduce significantly the open hours of bars in Anchorage, the state's largest city, and here in Dillingham.

They almost succeeded in passing a bill to raise the state drinking age from 19 to 21, winning approval in the Alaska House of Representatives but finding the proposal held up in a Senate committee.

At least 48 native villages in the bush, where alcohol has raised the crime rate and has hurt family life significantly, have voted in the last year to ban the sale and import of liquor.

But making it more difficult to obtain alcoholic beverages has not restrained the most serious drinkers, residents say.

This would not surprise sociologists who have studied the problem in similar cultures around the world. As the only Americans living in the vicinity of the Arctic Circle, Alaskans share a weakness for alcohol with Russians, Finns and other people who suffer unusually long, cold winters.

"The Anchorage attitude toward public inebriation is extremely permissive," said Howard Scaman, a consultant to the Alaska Council. Special city cars often take the unconscious to a special detoxification center, or even to their homes.

Alaska's 19-year-old drinking age and other liquor regulations often are not strictly enforced. A spokesman for the state alcoholic beverage control board acknowledged that his office had only five investigators to cover the largest state in the nation.

Barbara Hoffman, executive director of the Alaska Council, a nonprofit, state-supported organization, blames "geographic escape" for much of the state's drinking problem. Many people, unhappy and alcoholic and hoping that a change of scene would make them happier, "have brought their alcoholism with them to Alaska."

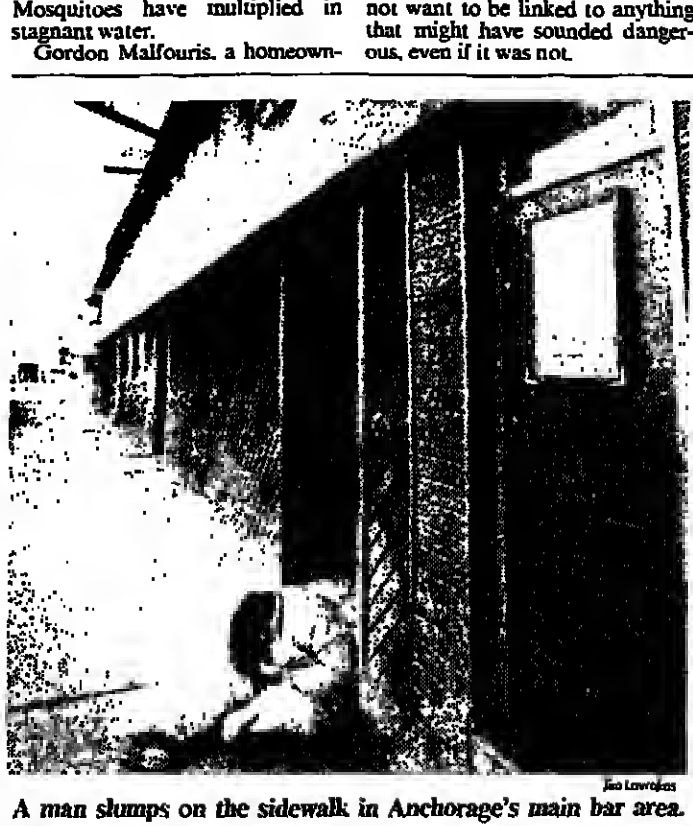
The state, she noted, has a high percentage of "risk-taking" occupations — loggers, truckers, oil-rig workers, pilots — which create

stress that can lead to alcohol abuse. The state also has a high proportion of young adults, often likely to drink to excess.

Obed Nelson, director of an alcoholic treatment program at Humana Hospital in Anchorage, which is pushing the legislature for a higher drinking age, shorter bar hours, tougher drunk driving laws and more restrictions on liquor licenses.

After persuading the municipal assembly in Anchorage to limit bar hours to 10 a.m. to 2 a.m., Mr. Nelson said, the coalition fought a \$120,000 campaign by the liquor industry to overturn the new rules on last fall's city ballot. The coalition won by a 2-to-1 ratio, "which made everybody sit up and take notice," he said.

In response, the liquor industry has funded its own Alaska Alcohol Beverage Education Institute and has hired alcohol counselors to train bartenders, waitresses and liquor store clerks in how to refuse liquor to customers who are drunk. But one counselor, Carol Kopansky, said that professionals in the alcohol field "feel that control of the supply does not limit the abusive drinker or the alcoholic. It simply makes them plan better so they get their supply."



A man slumps on the sidewalk in Anchorage's main bar area.

Best TAX-FREE EXPORT PRICES!

ALL PERFUMES • COSMETICS
BAGS • SCARVES • TIES
FASHION ACCESSORIES

MICHEL SWISS
16, RUE DE LA PAIX
PARIS

2nd Floor, Boulevard
FLAWLESS MAIL ORDER DEPARTMENT
FREE SAMPLES
Phone 261 7171

\$1,390,125,000

Zero Coupon

Treasury Investment Growth Receipts Series 2

\$898,875,000 Serial TIGR's due Semiannually November 15, 1982-2005

\$491,250,000 Callable TIGR's due November 15, 2010

Treasury Investment Growth Receipts ("TIGR's"), Series 2, evidence ownership of future interest and principal payments on \$300,000,000 United States Treasury 12 3/4% Bonds due November 15, 2010 (the "Bonds") to be held by Manufacturers Hanover Trust Company (the "Custodian") for the benefit of TIGR owners.

The obligor with respect to TIGR's is The United States of America.

Separate maturities of TIGR's (the "Serial TIGR's") are being offered with respect to each semiannual interest payment on the Bonds up to and including November 15, 2005, when the Bonds initially become subject to call for redemption by the United States. There will not be any payments on Serial TIGR's prior to their maturities. The last ten semiannual interest payments on the principal of the Bonds are being offered together as single units (collectively, the "Callable TIGR's"). There will not be any payments on Callable TIGR's prior to May 15, 2006 unless redeemed. Callable TIGR's will be redeemed, in whole or in part, on or after November 15, 2005 if and when the Bonds are redeemed at the option of the United States. See "Summary and Supplemental Information" and "Description of Treasury Investment Growth Receipts" in the Offering Circular related hereto.

The face amount of each TIGR will be the payment or payments to be received thereon. The TIGR's are being offered at substantial discounts from their face amounts. See "Income Tax Consequences" in the Offering Circular for a discussion of the United States tax treatment of TIGR's, including the implications of original issue discount, and for a discussion of state and local taxation of TIGR's.

See "Investment Restrictions" in the Offering Circular for restrictions on the simultaneous purchase of Serial TIGR's and Callable TIGR's by the same investor.

Merrill Lynch, Pierce, Fenner & Smith Incorporated intends to maintain a market for TIGR's but is not obligated to do so. See "Secondary Market" in the Offering Circular. Application will be made to list TIGR's, Series 2 on the New York Stock Exchange.

Treasury Investment Growth Receipts and TIGR's are trademarks of Merrill Lynch & Co., Inc.

The TIGR's are being offered to the public at the initial prices and in the minimum face amount denominations shown under "Initial Prices". In addition, TIGR's may be offered and sold to certain dealers at such prices less selling concessions determined by the undersigned. The Serial TIGR's have 47 separate maturities with aggregate face amounts of \$19,125,000 due semiannually from November 15, 1982 to November 15, 2005. The Callable TIGR's are due November 15, 2010. There will be ten semiannual payments, each aggregating \$19,125,000, on Callable TIGR's from May 15, 2006 to November 15, 2010 and payments aggregating \$300,000,000 thereon at their maturity.

The TIGR's are offered when, as and if delivered and subject to the right to reject orders in whole or in part. Certain legal matters with regard to TIGR's are being passed upon for the undersigned by Brown, Wood, Ivey, Mitchell & Petty. It is expected that the TIGR's will be ready for delivery against payment therefor in Federal or other immediately available funds on September 15, 1982.

Merrill Lynch White Weld Capital Markets Group

Merrill Lynch, Pierce, Fenner & Smith Incorporated

INITIAL PRICES

Maturity Date	Aggregate Face Amount (in millions)	Price as % of Face Amount(1)	Yield to Maturity(2)	Minimum Denominations(3)	
				Face Amount	Rounded Price(1)
Serial TIGR's					
November 15, 1982	\$ 19.125	98.611%	8.500%	\$ 1,275	\$1,257
May 15, 1983	19.125	93.414	10.500	1,275	1,191
November 15, 1983	19.125	88.143	11.125	1,275	1,124
May 15, 1984	19.125	81.872	12.375	1,275	1,044
November 15, 1984	19.125	77.101	12.375	1,275	983
May 15, 1985	19.125	71.929	12.750	1,275	917
November 15, 1985	19.125	67.618	12.750	1,275	862
May 15, 1986	19.125	63.566	12.750	1,275	810
November 15, 1986	19.125	59.757	12.750	1,275	762
May 15, 1987	19.125	56.175	12.750	1,275	716
November 15, 1987	19.125	52.809	12.750	1,275	673
May 15, 1988	19.125	49.644	12.750	1,275	633
November 15, 1988	19.125	46.669	12.750	1,275	595
May 15, 1989	19.125	43.872	12.750	1,275	559
November 15, 1989	19.125	41.243	12.750	1,275	526
May 15, 1990	19.125	39.476	12.500	1,275	503
November 15, 1990	19.125	37.154	12.500	1,275	474
May 15, 1991	19.125	34.969	12.500	1,275	446
November 15, 1991	19.125	32.912	12.500	1,275	420
May 15, 1992	19.125	31.330	12.375	1,275	399
November 15, 1992	19.125	29.504	12.375	1,275	376
May 15, 1993	19.125	28.492	12.125	6,375	1,816
November 15, 1993	19.125	26.864	12.125	6,375	1,713
May 15, 1994	19.125	25.328	12.125	6,375	1,615
November 15, 1994	19.125	23.880	12.125	6,375	1,522
May 15, 1995	19.125	22.854	12.000	6,375	1,457
November 15, 1995	19.125	21.560	12.000	6,375	1,374
May 15, 1996	19.125	20.340	12.000	6,375	1,297
November 15, 1996	19.125	19.189	12.000	6,375	1,223
May 15, 1997	19.125	18.418	11.875	6,375	1,174
November 15, 1997	19.125	17.386	11.875	6,375	1,108
May 15, 1998	19.125	16.412	11.875	6,375	1,046
November 15, 1998	19.125	15.492	11.875	6,375	988
May 15, 1999	19.125	14.914	11.750	6,375	951
November 15, 1999	19.125	14.087	11.750	6,375	898
May 15, 2000	19.125	13.305	11.750	6,375	848
November 15, 2000	19.125	12.567	11.750	6,375	801
May 15, 2001	19.125	11.869	11.750	6,375	757
November 15, 2001	19.125	11.211	11.750	6,375	715
May 15, 2002	19.125	10.589	11.750	6,375	675
November 15, 2002	19.125	10.001	11.750	6,375	638
May 15, 2003	19.125	9.679	11.625	12,750	1,234
November 15, 2003	19.125	9.148	11.625	12,750	1,166
May 15, 2004	19.125	8.645	11.625	12,750	1,102
November 15, 2004	19.125	8.170	11.625	12,750	1,042
May 15, 2005	19.125	7.721	11.625	12,750	984
November 15, 2005	19.125	7.297	11.625	12,750	930
	898.875				
Callable TIGR's					
November 15, 2010(4)	491.250	4.793	11.500(5)	32,750(6)	1,570
	\$1,390.125				

(1) Plus accrued amortization, if any, of original issue discount from September 15, 1982 to date of delivery.

(2) Compounded on a semiannual basis.

(3) See "Forms and Denominations" under "Summary and Supplemental Information" in the Offering Circular related hereto.

(4) Will be redeemed, in whole or in part, on or after November 15, 2005 if and when the Bonds are redeemed. See "Redemption of Callable TIGR's" under "Summary and Supplemental Information" and "Callable TIGR's" under "Description of Treasury Investment Growth Receipts" in the Offering Circular related hereto.

(5) Represents yield to average life of approximately 27.2 years.

(6) Consists of ten face amount payments of \$1,275 payable semiannually on May 15 and November 15 commencing May 15, 2006 and a face amount payment of \$20,000 payable on November 15, 2010.

Market Summary, Sep. 2

NYSE		AME	
Class	Range	Class	Range

NYSE Index

	High	Low	Close	Ch'ge
Composi/Vs	68.98	67.68	68.98	+1.08
Industrials	78.95	76.97	78.95	+1.45
Transp.	62.01	60.74	62.01	+1.13
Utilities	40.01	39.89	40.01	+0.16
Finance	67.76	66.96	67.76	+0.57

1,706	684	347
56.12	24.10	3.92
674	278	187

10.14	50.08	0.02
3.48	3.81	270
1,890	1,954	754
150	162	27
8	3	3

Jones Bond Averag

eds	Cave	Ch'ne
ities	62.95	-0.10
ustrials	62.20	+0.20
	62.70	-0.67

Thursday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street

[illegible]

BORN IN BULLS

For months, while Henry Kaufman and Joseph Granville chanted gloom and doom—dug out editors remained resolute, predicting that the Dow Jones Industrial Average would touch 1,000 before hitting 750. (On August 17th, Mr. Kaufman reversed his "stance", becoming a born-again-bull, claiming that interest rates will drop; an observation, made only after the Prime Rate had plummeted from 20% to 14%.)

The rest is history; the DIT's closed on August 20th at 869, on record volume.

If the sinking of the Titanic was "a night of remembrance," last week on Wall Street was "a week of remembrance," for it was the week that bears' dreams in their myopia, an irrationally promoted Keynesian, a universally-quoted "forecaster" with a penchant for expiating the obvious—once it's too late. During the *Gold* holidays, we commenced, "One does not require the patience of Job to cash in on the bull market that is collecting amidst the rubble of despair." The torrid pace of the past months may abate, but the spastic direction remains intact, an upswing of monumental proportion that will engulf secondary markets, and even the counter stocks.

Our current report highlights several new issues, shares, with major capital gain potential and on emerging natural resources equity that could realize 500% or more, a company that is deflating a massive on body in Canada.

In addition, the letter analyzes investment behavior emphasizing the manic-depressive nature of investors, asking, "when does one sell?"

Our answer?

When Joseph Grainsville stops cherishing *Amalgamation* and turns bullish, whose he admits "has his own type of mania of 500 or less for the DIT's was a well-projected hallucination."

For your complimentary copy of this report, please information on Personalized Accounts, please write or phone:

F.P.S. FINANCIAL PLANNING SERVICES BV
Kalfveerstraat 112, 3rd Floor
1012 PK AMSTERDAM, The Netherlands.
Tel.: (020) 25 04 77 or 22 98 73. Telex: 18336 Guara

[illegible]

(Continued on Page 10)

Thais Do Big Business in Beer, With Help of German Masters

The Associated Press
BANGKOK — When Lord Bhirom Bhakdi was looking around for new business ventures in the early 1930s, a Danish friend introduced him to European drinking habits.
Lord Bhirom promptly asked one of his sons, Prachuab, who was studying architecture in France, to switch to beer-making in Germany.

Prachuab, now 70, became Thailand's first brewmaster and helped set up the Boon Rawd Brewery on the banks of the Chao Phaya River on Bangkok's outskirts. The first bottle of Singha beer was opened on July 6, 1934.

As demand for beer outstripped supply, the Thai Amarit Brewery was set up in 1958 by the Tejapabul family, which also has controlling interests in three banks, a dozen finance companies and other ventures. Amarit beer was on the market five years later.

The Thai brewery business has grown to \$200 million a year, with about 120 million liters (32 million gallons) of beer produced last year. Thai Amarit has introduced a lighter Kloster beer to go with its Amarit beer but the

Boon Rawd has grown from 150 employees putting out 600 bottles a day to 2,000 rolling out up to 960,000 bottles daily. The third generation of the Bhirom Bhaddis is now taking

business magazines have called the most profitable family-owned company in Thailand.

Indonesia, Malaysia and Singapore turned to the Dutch for expertise when they set up local breweries in the 1920s, the Thais adopted German knowhow.

Boon Rawd Brewery and Thai Amarit Brewery still recruit Germans for the job of brewmaster. They send their top Thai staffers for training in West Germany, and in their own plants they use West German equipment.

"Why are we here?" asks Peter Mittman, one of three German brewmasters employed by Boon Rowl. "We're the best in the world and make the best beer."

A 1972 alien occupation law barred foreigners from working in jobs ranging from architecture to hairstyling on grounds Thais could perform them as well as outsiders, but the job of brauntoner has not come under the restriction.

While Thais have acquired a great deal of expertise, some Boon Rawd directors say the Germans still have the edge, especially when it comes to expertly selecting the varying raw

materials to produce the consistent flavor of Singha — somewhat bitter, full-bodied and strong.

Both Boon Rawd and Thai Amari benefit from a 200-percent import tax on foreign beers. Recent reports suggest Japan's Sapporo and Denmark's Carlsberg beer are trying to set

TRAVEL

Crete, the Back Door to Greece

by Michael Kernan

CHANIA, Crete — Just about everyone who goes to Greece starts with Athens, gets turned off by the shrieking traffic and green air, flees to the other mainland sites infested with tour buses and then tries the islands. On the last day, with luck, those travelers still surviving check in at Crete.

And there they discover what they were looking for in the first place, because Crete is what the rest of Greece used to be. Many parts of it are still free of tourist clusters, prices are lower, the whole island bristles with Minoan ruins and ancient monasteries, the shaggy-coated oranges are the best in the world, and some areas still are shrouded with the tall pines that once grew all over Greece, before Roman shipbuilders cut them down.

And wildflowers. In April and May you can go pleasantly crazy trying to spot the 130 species peculiar to the island, from acres of blood-red poppies to the rare, almost legendary, wild peony. And rocks, staggering rock formations and caves.

Our priorities were: explore Minoan ruins, photograph some great rocks and get out of the city for a while. Athens would have to wait. So we did our Greek trip backwards.

We flew into Athens one afternoon, switched airports, and without any nonsense took off on Olympic for the rural airport at Chania in the west of Crete. You can land at Heraklion, the largest city, but this is a miniature Athens, and while it has its charm — as does Athens — it is definitely a city.

We stayed in the Doria at Chania, a high-ceilinged old residence that once was the British consulate. For a B hotel it was considered pricey: the equivalent of \$22 for a double overlooking a lovely curved bay and the sea. (Later, on the beach at Plakias, we found a beautiful just-opened A hotel, the New Alantus, with a balcony room facing mountains and in view of the sea for the equivalent of \$18. In Heraklion a comfortable C hotel, again with harbor balcony view, costs about \$20. All with breakfast.)

What does one see in Chania? The museum is a good place to start your Minoan experience, with its mosaics and early pottery and elegant clay seal rings. The market is a fine, shouting place of a thousand smells. Perhaps best is the neat little harbor. At night you sit with your ouzo at a

quayside taverna and watch the lights make dazzling, nervous streaks on the black water.

Taking local buses is fun but eats up time. We finally rented a car, which was well worth the stiff cost, for it took us to all sorts of obscure places. One day we drove to a monastery, Moni Gouverneto, on the peninsula above Chania, checked out the 15th-century icons, visited Spileo Katholikon, a shrine in a deep cave, and hiked down a rugged, rocky gorge high above the glistening blue sea. Suddenly we stumbled onto some steps, and rounding a corner we came upon an arched stone bridge, 50 yards long and 20 feet wide, covered with grass, leading from a complex of abandoned white chapels and cells across the deep dry gulch to ... nothing. The other side was just more rock, without even a trail. Far down the yawning valley we could see a few hermit beehive huts.

The bridge was done with great skill, superbly dressed stone blocks fitted precisely, arching 100 feet above the stony bed. Why was it there? Work as prayer?

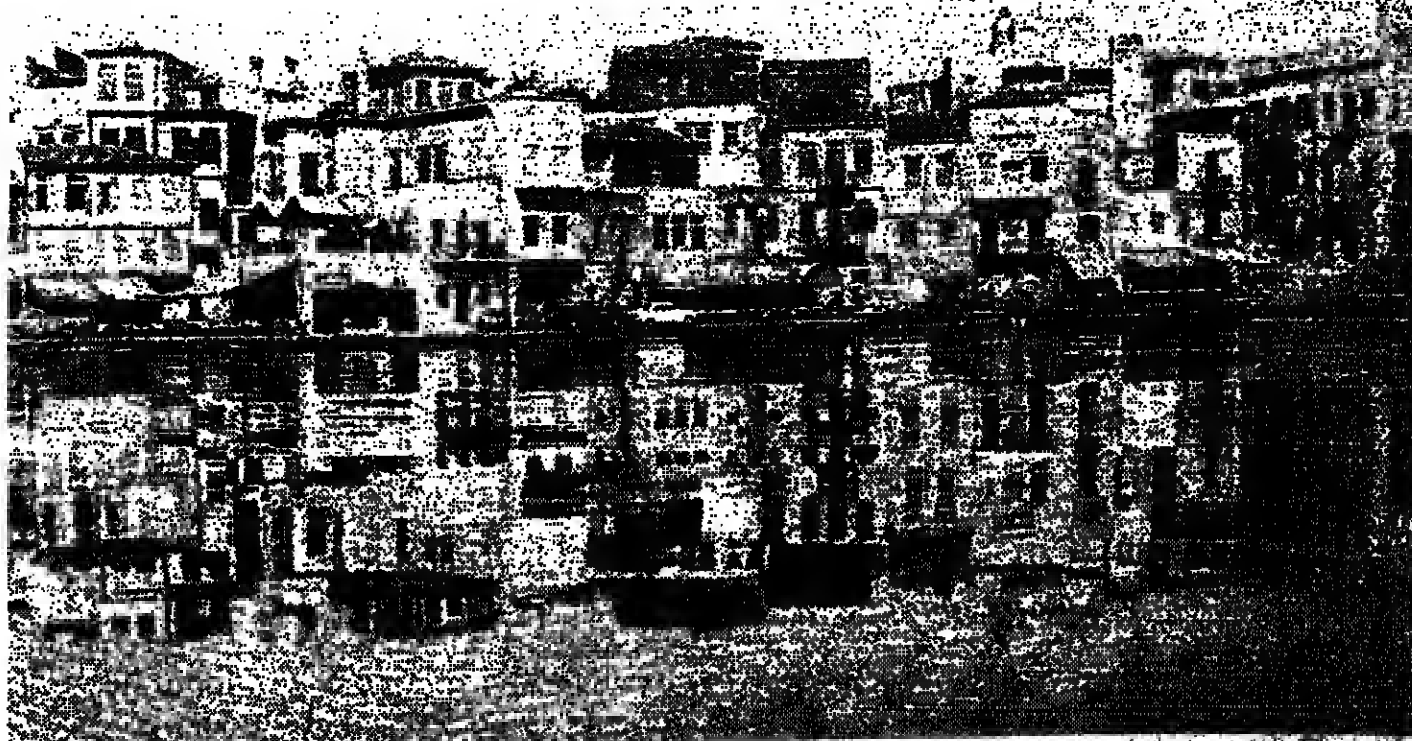
We drove through a still-green countryside (it goes brown in June, like California) to a Roman ruin and a Turkish fort above Souda Bay, overlooking on one side the sea, which on Crete is almost always with you, and on the other a counterpane land of olive orchards, patchwork fields, rolling hills that led to the foot of the snow-tipped Lefka Ori mountains.

Saying hello: a red-haired longshoreman hauling wine crates off a truck in Chania broke through the general Greek chatter to call out to me, startlingly. "Top o' the mornin' to ye" as I sat over coffee on the quay. The accent was pure Liverpool. "You're a long way from home," I said. He grinned. "Who's toosy?"

At Preveli monastery a priest found out we were Americans — still a novelty in rural Crete. "From Chicago?" he asked hopefully. We visited many hard-to-reach villages. We stopped at Spili, a mountain town with waterfalls coming down to the street, and Amari, drowned in wildflowers, and Vrises, where we sat by a rushing stream and ate the local specialty, rich yogurt doused with honey.

We spent a day at the Minoan ruins of Phaestos, walked to nearby Agia Triada with its ancient villa, searched for a hilltop Greek temple site at Polirinia, lost in the mist until a breeze swept down the valley and revealed a green panorama. Here an old man named Vassily beckoned us into his hut, gave us cookies, almonds, oranges and *raki*, the powerful Greek marc. He had photo albums of himself with his guests, from all over the world.

A city bus to Vathypetro: more ruins, more sweeping vistas, more



The waterfront at Chania on Crete.

pleasant strolling among vineyards and a picnic in tall grass under a eucalyptus tree — bread, cheese, yogurt, oranges, cucumber. We took another picnic to a cave above the fabled Lasithi Plain, with its windmills and crazy-quilt farms, but skipped the Dictaeon cave that is supposed to be the birthplace of Zeus, because it was overrun with sightseeing buses.

Out to Heraklion. We hiked with a Greek-speaking British friend all over the spiky Lasithi hills seeking an ancient town. Met a 75-year-old shepherd who had helped excavate the place. Found wild peonies, to our speechless excitement (but had run out of film). Ate broiled swordfish and raw sliced anchovies at down-home tavernas.

We gave two days to the archaeological museum — whose best exhibit, the Minoan frescoes, was closed by a damaged roof — and the controversial palace at Knossos. Some scholars are furious at Sir Arthur Evans for restoring as much as he did, even to reconstructing columns and simulating wooden ladders with painted concrete. His justification was that the palace had been as many as four stories high and that it had to be restored to give any sense of how it looked. In any case, it made a spectacular climax to our weeks of scrambling over bits of crumbled wall.

We never did get to eastern Crete.

©1982 The Washington Post

A Kind of Cathedral Called Yosemite

by Robert Lindsey

YOSEMITE NATIONAL PARK, Calif. — California State Route 41 descends a winding road here and enters a tunnel, and at the end of the tunnel a vista unfolds that few people ever forget.

A giant amphitheater lies before them and the view is so stunning that many are compelled to stop their cars. The place is Yosemite Valley. On each side of the valley, steep walls of granite, sculptured by glaciers eons ago, rise vertically more than 3,000 feet from a placid, seemingly virgin meadow. From atop these sheer walls cascade long ribbons of white water that crash onto the valley floor.

Yosemite National Park in northern California is one of the most heavily used of all the U.S. national parks, with almost three million visitors a year. It is a park with many of the problems of a city, including traffic congestion and thefts from hotel rooms and campsites. In the Yosemite Valley it is often impossible to find a place to sleep between early June and early September. And, some visitors say, there are too many cars, too many people and not enough money from Washington to fully realize the park's potential.

Yet the beauty of the park seems to have such resilience that it has been able to survive the worst that man has done to it. A few years ago, a Hollywood conglomerate, the MCA Corporation of America, took over the park's concessions and immediately tried to merchandise Yosemite as a convention center and exploit it in other ways. In a step that many environmentalists will never forget, the company sent a television crew to Yosemite to film a series about a park ranger, the television crew, disabused with what nature had to offer, daubed paint on rocks to achieve more vivid colors on the screen.

Yosemite arouses strong emotions among its admirers. There was a public uproar over the painting; MCA backed off from its hand-sell of the park, and while some officials of the National Park Service still feel uncomfortable

with the invaders from tin-town, no lasting harm seems to have been done.

First as a child, then as a college student working for two summers as a trail-builder in the high country wilderness, and later as an adult and parent, I've been visiting Yosemite for more than 35 years. And I have never entered the valley, or some of my favorite corners in the high country above it, without feeling a sense of awe, even reverence. In some ways, entering the valley is reminiscent of one's discovery of Notre Dame in Paris or St. Paul's in London, and some would say the great chasm carved by nature is a kind of cathedral, with the sky as its roof.

Yosemite (which makes a rewarding side trip for visitors to Los Angeles or San Francisco) covers almost 1,200 square miles. But most visitors crowd into the 10-square-mile valley, where there are campgrounds, hotels and stores, as well as many of the most scenic waterfalls and other points of interest.

Long-time visitors probably all have their favorite spots in the park, whether they like hiking, biking, riding, camping or climbing. Many of them favor a certain quiet space near Tuolumne Meadows, a mountain-rimmed green valley in the high country that is a jumping-off place for hikes into the wilderness. Others prefer one of the majestic groves of 2,500-year-old sequoia trees, others an encampment beside the icy, clear Merced River, which pushes through the center of the valley.

In the high country, you may still occasionally encounter a bear, although most of the bears that once inhabited the park seem to have migrated in the last few decades to less-populated territory. Throughout the park, though, even in the crowded valley, visitors are likely to see deer stroll casually, almost fearlessly, by, and there are hundreds of other varieties of wildlife in this spectacular place.

While many campers gravitate to the friendship and nightly communal campfires of Curry Village on the valley floor, others backpack or go on horseback into the back country. Mountaineers may climb 1,000 feet or so up a sheer wall of granite, but I prefer a candlelit dinner, looking up at the same walls through the pic-

ture windows of the dining room of the park's 55-year-old Ahwahnee Hotel.

The spot that lures me back most often is Glacier Point, a rocky promontory that is 3,242 feet high and directly above the valley. It commands a panorama of the park and the surrounding Sierra Nevada that is magical. It takes about 35 minutes to drive to the point from the valley floor, and if your time for exploration outside the valley is limited, this is one trip you should make. Park rangers regularly schedule guided hikes to Glacier Point, as well as to many other areas in the park.

For years, there's been a kind of war going on over the future of Yosemite National Park, with, on one side, some environmentalists contending that automobiles and hotel facilities should be banned from the valley, and, on the other, users of the park claiming that the proposal is an elitist scheme that would deny access to too many people.

In 1980 the National Park Service adopted a 10-year master plan that envisages the elimination of Park Service offices, some overnight accommodations and other facilities and, eventually, most cars from the valley. Whether Congress will ever appropriate the money to carry out the plan fully is questionable and it does not appear likely that cars will be prohibited very soon. Still, in many ways it seems that the pattern of urbanization of the past will be reversed.

For almost a decade, cars have been banned from several areas and visitors are transported free on open buses, an enjoyable experience after your legs advise that you have done too much walking.

By car, Yosemite National Park is 313 miles from Los Angeles, or about an 8-hour drive; from San Francisco, the distance is 195 miles. The closest major airport is at Fresno, about 90 miles away. At Merced, about 60 miles from the park, year-round bus service connects with Amtrak trains. Information about accommodations is available from the Yosemite Park and Curry Co., tel. 209-373-4171.

©1982 The New York Times

International Datebook

AUSTRIA	ENGLAND	FINLAND
VIENNA, International Theater (tel. 31.62.72) — Through September: "Who's Afraid of Virginia Woolf?" (Albee). MUSICALS — Sept. 4: "The Sound of Music" (Rodgers and Hammerstein). Sept. 5: "The Sound of Music" (Rodgers and Hammerstein). Sept. 6: "The Sound of Music" (Rodgers and Hammerstein). Sept. 7: "The Sound of Music" (Rodgers and Hammerstein). Sept. 8: "The Sound of Music" (Rodgers and Hammerstein). Sept. 9: "The Sound of Music" (Rodgers and Hammerstein). Sept. 10: "The Sound of Music" (Rodgers and Hammerstein). Sept. 11: "The Sound of Music" (Rodgers and Hammerstein). Sept. 12: "The Sound of Music" (Rodgers and Hammerstein).	ALDEBURGH, Snape Maltings Concert Hall (tel. 885.35.45) — Sept. 8-10: "The Tempest" (Shakespeare). LONDON, Barbican Centre (tel. 528.37.55). Barbican Hall — Sept. 4: Royal Philharmonic Orchestra, Anthony Goldstone piano (Ravel, Mussorgsky). Barbican Theatre — Royal Shakespeare Company — Sept. 4: "The Winter's Tale". Sept. 5-9: "A Midsummer Night's Dream". The Pit — Sept. 6-9: "A Doll's House" (Ibsen). British Museum (tel. 636.15.55) — To Sept. 12: "A Century of Modern Drawing: from the Museum of Modern Art, New York". London Coliseum (tel. 836.31.61). English National Opera — Sept. 4: "Carmen" (Bizet). Sept. 7-9: "The Magic Flute" (Mozart). Sept. 8: "The Barber of Seville" (Mozart). Royal Albert Hall (tel. 589.82.12). Sept. 7-8: Philadelphia Orchestra, Riccardo Muti conductor (Prokofiev, Mahler). Sept. 10: Edinburgh Festival Chorus/London Philharmonic Orchestra, Sir Georg Solti conductor (Prokofiev). Sadler's Wells Theatre (tel. 278.89.16). Sadler's Wells Royal Ballet — Sept. 4: "Pavane" (Offenbach). Sept. 5, 9: "The Swan of Tuonela" (Sibelius). Sept. 10: "Giselle" (Adam). Tate Gallery (tel. 821.13.13). To Oct. 3: "Giorgio de Chirico." To Nov. 15: "Watercolors and Drawings by Rossetti". The Cauter (tel. 405.65.98). JAZZ — Sept. 6-11: Ahmad Jamal Quartet, featuring Peyton Crowsley drums, Sabu Adegola bass, Seldon Newton percussion.	HELSINKI, Finlandia Hall (tel. 90.66.86.88). Sept. 6: Finnish Radio Symphony Orchestra, Jees Lõpelt-Cobos conductor, Cecilia Gasdia soprano (Verdi). Sept. 7: Helsinki Philharmonic Orchestra, Dennis Russell Davies conductor, Elmar Holmberg oboe (Mozart, Rimsky-Korsakov). Sept. 9-10: The USSR Radio and TV Large Symphony Orchestra, Vladimir Feldey conductor. Svenska Teatern (tel. 63.39.37). Sept. 4: "Peter Pan" (Pip Smeets Theatre Group). DEAUVILLE, Sept. 4-12 — American Film Festival. PAMIS, Centre d'Art Culturel (tel. 258.97.62) — Sept. 4-11: Shakti Kalyan (traditional Indian dance). Crested Theatre (tel. 277.12.33). To Sept. 12: "Hommage to Georges Braque." "Yves Tanguy, 1925-1955". To Sept. 12: "David Hockney photograph". To Sept. 26: "Photography, recent acquisitions of Man Ray, Salvador Dali, Abbot, Cézanne, List". Le Louvre des Antiquaires (tel. 267.27.00) — To Oct. 10: "Art and the Bazaar". Printemps (tel. 285.22.22) — Sept. 10-20: Exhibition of Surrealist art and armor from 16th to 19th century. Théâtre Musical de Paris (tel. 261.19.83) — Sept. 6: Philadelphia Orchestra, Riccardo Muti conductor (Tchaikovsky, Prokofiev).
DENMARK	FRANCE	JAPAN
ARHUS, International Festival (tel. 12.16.00). CONCERTS — Sept. 4: Tonica Wind Ensemble, Bue Land Nielsen conductor ("Visions Evening"). Sept. 4: Charlie Mingus Commemorative Jazz Concert. Sept. 5: Prague Suk Chamber Orchestra, Joseph Vlach conductor (Rossini, Sibelius). Sept. 6: Aarhus Chamber Orchestra, Michael Potti flute (Christiansen, Vivaldi). EXHIBITIONS — Sept. 4-11: "Alfons Mucha and Czech Art Nouveau." Sept. 4-12: "Classical Athens". THEATRE — Sept. 10: "Charlie" (Czech Trava theatre). BALLET — Sept. 8: Artists of The National Ballet of Canada, Peter Schaufuss guest performer (seven ballets). COPENHAGEN, Royal Museum of Fine Arts (tel. 11.21.26). Royal Print Room — To Oct. 3: "Drawings by Willy Orlov". Tivoli Concert Hall (tel. 15.10.01). Sept. 6: The Cleveland Quartet (Beethoven, Brahms). Sept. 9: Piano recital, André Watts soloist (Tchaikovsky).	PARIS, Opéra d'Art Culturel (tel. 258.97.62) — Sept. 4-11: Shakti Kalyan (traditional Indian dance). Crested Theatre (tel. 277.12.33). To Sept. 12: "Hommage to Georges Braque." "Yves Tanguy, 1925-1955". To Sept. 12: "David Hockney photograph". To Sept. 26: "Photography, recent acquisitions of Man Ray, Salvador Dali, Abbot, Cézanne, List". Le Louvre des Antiquaires (tel. 267.27.00) — To Oct. 10: "Art and the Bazaar". Printemps (tel. 285.22.22) — Sept. 10-20: Exhibition of Surrealist art and armor from 16th to 19th century. Théâtre Musical de Paris (tel. 261.19.83) — Sept. 6: Philadelphia Orchestra, Riccardo Muti conductor (Tchaikovsky, Prokofiev).	TOKYO, Kan-Hall (tel. 362.67.64). Sept. 8: Tokyo Symphony Orchestra, Arvid Ysaacson conductor, Kyoko Horiello (Dyck, Tchaikovsky). Kodai Nishiki Hall (tel. 571.63.89). Sept. 10: Tokyo Symphony Orchestra, Arvid Ysaacson conductor, Shoji Ogasawara conductor, Shoji Ogasawara violin, Kenjiro Yamada, cello (Brahms). Osaka Shikoku Museum (tel. 523.07.81). To Sept. 26: "Photography, recent acquisitions of Man Ray, Salvador Dali, Abbot, Cézanne, List". To Sept. 26: National Museum of Modern Art (Gyosei music and dance).
GERMANY	NETHERLANDS	SCOTLAND
BERLIN, Deutsche Oper (tel. 341.44.49). Sept. 4: "The Magic Flute" (Mozart). Sept. 5: "Tosca" (Puccini). Sept. 8: "Don Giovanni" (Mozart). Sept. 9: "Coppelia" (Delibes). Berliner Music Festival (tel. 330.26.41). Sept. 4: Philadelphia Orchestra, Riccardo Muti conductor (Mahler, Ravel). Sept. 5: Berlin Philharmonic Orchestra, Hans Zender conductor (Mahler). Sept. 6-7: London Symphony Orchestra, Claudio Abbado conductor (Mahler, Beethoven). Sept. 9-10: Vienna Philharmonic, Leonard Bernstein conductor. FRANKFURT, Alte Oper (tel. 0611.1340). Sept. 4: Nikolaus Gedda tenor, Jan Eyron piano (Bizet, Wagner, Verdi). Sept. 5: "The Creation" (Haydn). Wolfgang Schäfer conductor, Ilsema Cornibus soprano, Francisco Araiza tenor. Sept. 7: Berlin Philharmonic Orchestra (Haydn, Weinbeck). Cafe Theater (tel. 61.64.64) — To Sept. 30: "Look Back in Anger" (Yeats), English-speaking theater.	AMSTERDAM, Concertgebouw (tel. 17.83.45). Sept. 4: Concertgebouw Orchestra, Bernard Haitink, conductor (Ravel, Wagner). Sept. 5, 7: Utrecht Symphony Orchestra, Willy Boskowitz conductor, Ursula Benz soprano, Rudolf Schick tenor. SCOTLAND EDINBURGH, International Festival (tel. 225.57.56). King's Theatre — Sept. 4, 5, 7-11: Puccini's "La Bohème" (Rossini). Municipal Theatre — Sept. 4-5: Geneva Opera Ballet, "L'Amour". Royal Lyceum Theatre — Sept. 4-7: "The Marriage" (Mozart) (Mozart) starring Peter Ustinov. Sept. 8: "Don Giovanni" (Mozart). Sept. 9: London Philharmonic Orchestra, Riccardo Muti conductor, Salvatore Accardo, violin (Ravel, Tchaikovsky). Sept. 10: Philadelphia Orchestra, Riccardo Muti conductor (Schumann, Prokofiev).	EDINBURGH, International Festival (tel. 225.57.56). King's Theatre — Sept. 4, 5, 7-11: Puccini's "La Bohème" (Rossini). Municipal Theatre — Sept. 4-5: Geneva Opera Ballet, "L'Amour". Royal Lyceum Theatre — Sept. 4-7: "The Marriage" (Mozart) (Mozart) starring Peter Ustinov. Sept. 8: "Don Giovanni" (Mozart). Sept. 9: London Philharmonic Orchestra, Riccardo Muti conductor, Salvatore Accardo, violin (Ravel, Tchaikovsky). Sept. 10: Philadelphia Orchestra, Riccardo Muti conductor (Schumann, Prokofiev).
ITALY	NETHERLANDS	SCOTLAND
ATHENS, Epidaurion Festival (tel. 252.14.59). Heraclion Odessa (tel. 333.27.71). Sept. 4 and 5: "The Magic Flute" (Mozart). Mammos Bazar's 20th-Century Ballet. Sept. 6: Thessaloniki State Orchestra, Karolos Tsoukalas conductor, Leonida Kogon violin (Beethoven, Bruckner).	ASCONA, International Music Festival (tel. 02.22.55.40). Eglise du Collège Papi — Sept. 7: Henryk Szeryng violin, Ruth Menez piano (Prokofiev, Franck). Sept. 10: Polish Chamber Orchestra, Jerzy Maksymiuk conductor, Christian Zaccaria piano (Bartok, Mozart). LUCERNE, International Music Festival (tel. 041.23.35.62). Kunsthallen — Sept. 4: London Symphony Orchestra, Claudio Abbado conductor (Debussy, Ravel). Sept. 5: Philip Jones Brass Ensemble, Elgar Howard conductor (Byrd, Mussorgsky). Sept. 6: Bavarian Radio Symphony Orchestra and Choir, Rafael Kubelick conductor. Margaret Marshall soprano, Brigitte Fassbender alto (Mahler).	NEW YORK, American Museum of Natural History (tel. 872.22.22). Oct. 6: "Aster Medea: Discovery of Tempio Mayor". Brooklyn Museum Theater (tel. 245.34.50) — To Oct. 2: "Ghost" (Brecht), starring John Houseman, Margaret Marshall soprano, Brigitte Fassbender alto (Mahler).
NETHERLANDS	NETHERLANDS	NETHERLANDS
AMSTERDAM, Concertgebouw (tel. 17.83.45). Sept. 4: Concertgebouw Orchestra, Bernard Haitink, conductor (Ravel, Wagner). Sept. 5, 7: Utrecht Symphony Orchestra, Willy Boskowitz conductor, Ursula Benz soprano, Rudolf Schick tenor.	AMSTERDAM, Concertgebouw (tel. 17.83.45). Sept. 4: Concertgebouw Orchestra, Bernard Haitink, conductor (Ravel, Wagner). Sept. 5, 7: Utrecht Symphony Orchestra, Willy Boskowitz conductor, Ursula Benz soprano, Rudolf Schick tenor.	AMSTERDAM, Concertgebouw (tel. 17.83.45). Sept. 4: Concertgebouw Orchestra, Bernard Haitink, conductor (Ravel, Wagner). Sept. 5, 7: Utrecht Symphony Orchestra, Willy Boskowitz conductor, Ursula Benz soprano, Rudolf Schick tenor.



Hilton International. Views of life.

Look at Athens from our viewpoint and you'll never want to see it any other way. The Acropolis by night from our rooftop Galaxy Supper Club. Athens by day, with the sea beyond, from your own private balcony. A vantage point unrivaled, that's just part of the picture.

Hilton International gives you a choice sampling of Greek flavor. A visual feast of sunning contemporary design that reflects a rich ancient heritage. Gracious guestrooms with the thoughtful touches that reflect our sparkling service. The Ta Nissa, acclaimed as one of the country's finest restaurants, where you savor Greece at its very best.

Discover the luxurious Athens Hilton. Bask in our sunny hospitality. Take a refreshing plunge in our pool. And enjoy a way of life the world welcomes. For all the best reasons.

Athens Hilton



AWAY OF LIFE

For worldwide reservations, contact your travel agent, any Hilton hotel or the Hilton Reservations Service in Copenhagen, Frankfurt, London, Madrid, Oslo, Paris and Stockholm.

WEEKEND

AUTOMOBILES

IMPORTANT AUCTION

ON THE INSTRUCTIONS OF
NORTHERN IRELAND CARRIERS LIMITED

WE OFFER FOR SALE BY PUBLIC AUCTION
(IN SINGLE LOTS)

12 DE LOREAN
SPORTS CARS

TO BE HELD AT CULLODEN HOTEL, CULTRA Co. DOWN
IN THE STEWART SUITE

TUESDAY 14TH SEPTEMBER 1982
AT 11 a.m. SHARP

ADMISSION / VIEWING
BY CATALOG ONLY - £1.00 STERLING

BRIAN MORTON AND COMPANY

ARTHUR STREET, BELFAST BT1 4DH
NORTHERN IRELAND (0232 230211)

HEALTH CLINICS

SWITZERLAND

WORLD RENOWNED MEDICAL CLINIC

Glion sur Montreux, Lake Geneva, Switzerland.

Located at 2,000 feet altitude in a moderate and protected climate, the clinic has the finest accommodations available for your comfort. In a beautiful and calm setting overlooking the Lake of Geneva and the Mont-Blanc chain the CLINIC VALMONT provides complete medical check-ups, outstanding medical care as well as rest, individual diet and rejuvenation. Centers are provided for cardiology, physiotherapy, electrotherapy, hydrotherapy, electrocardiogram, X-ray and laboratory analysis.

Please ask for our brochure and prices.

Write to Mr. H. Tor - Director

CLINIC VALMONT, 1823 Glion sur Montreux, Switzerland.

Telephone: 021/61 38 02 - Telex: 453 157 valmont-ch

WEEKEND

appears every Friday

For information call Cathy Stubby

in Paris on 747.13.65,

or your local IHT representative.

(List in Classified Section)

CRUISES

RIVER CRUISES

3-day midweek cruises.

Weekend cruises.

Weekly charter. Private boat • 3 double

cabins • \$150/person/week • 14

\$450/person per week • 5,500 weekly

charter for 5 people.

All meals + table wine included.

Write to L'ARAGONAULT,

Quai de l'Est, Port des Champs-Élysées,

75008 PARIS, FRANCE.

HOLIDAYS

AND TRAVEL

PORTUGAL

HOLIDAYS

see classified

CASINOS

Casino Gran Madrid

The largest Casino in Europe

French Roulette - Baccarat

American Roulette - Black Jack

Punto Banco - Slot Machines

Open daily until 4 a.m.

Week-ends 5 a.m.

Restaurants & Bars, Taxi services.

Free parking 1,000 cars.

Necessary passport for foreigners.

TORRELODONNES (MADRID)

Tel. 859 03 12 - Telex 22353 CJM

COMING

IN OCTOBER

SKIING

a special supplement by the

International Herald Tribune

For advertising

information contact:

International Herald Tribune

181 Ave. Charles-de-Gaulle

92521 Neuilly Cedex, France

Tel.: 747.12.65.

Telex: 613595.

or your local

IHT representative.

OF SPECIAL INTEREST

THE ISRAEL FESTIVAL

The Israel Festival, which runs

from Sept. 22 and takes place at

various venues in Jerusalem,

Tel Aviv and Haifa, includes:

CONCERTS — Israel Chamber

Orchestra/Orchestra Domestica

TRAVEL

Where to Eat Outdoors in Spain

by Harry Debelius

MADRID—Eating out has a special meaning in good weather, and the weather is generally good throughout Spain until late September. Dining in the shade of a leafy tree, under a colorful awning or beneath the stars can often turn an ordinary meal into an excellent one.

Madrid has many outdoor eating places, some open all year provided the weather is good; when it's bad, some of these restaurants also have indoor dining rooms. Most are reasonable in price and relaxed in atmosphere.

La Chaletera El Jardín (López de Hoyos 219, tel: 415.50.37) is no newcomer on the restaurant scene, but is enjoying new popularity. Anything, but anything, is just off the M-30 highway near the avenues Ramón y Cajal and Alfonso XIII.

From outside, with its dusty open parking lot beside the roaring motorway, almost in the shadow of a bridge, it does not look very promising. But doubts are dispelled by a whiff of charcoal-broiled meat. Through the green gate in the high white masonry wall is a full-grown garden, shaded by trees in the daytime and discreetly lit at night. The menu is brief (the restaurant specializes in beef), but there are a few omelette items worth trying, such as fresh grilled sardines. The wine list offers such tempting Spanish wines as a 1970 Vega-Sicilia, but the less good house wine, a full-bodied red from the southernmost Spain, goes well with the steaks. A meal for two, consisting of an order of steak and one of lamb chops, with salad for two, an appetizer, a bottle of wine and dessert, comes to about 2,500 pesetas (about \$25) including the tip. (Tips are not necessarily included in Spain; if they are not, 10 to 15 percent should be left.)

La Trucha (Manuel Fernández y González 3, tel: 429.58.32) is familiar to old-timers in Madrid, distinguished more for its location and ambience than its food. La Trucha has only about a dozen tables outside—the rest are in two small indoor dining rooms—so it's best to arrive early. The fare is simple Spanish cooking, not too heavy. Among the specialties, as the name implies, is trout, cooked with dark Spanish ham, Navarrese style.

La Trucha lies in the heart of the district near the Plaza de Santa Ana where Madrileños flock to enjoy tapas, the Hispanic hors d'oeuvres. On a short street open to pedestrian traffic only, the restaurant is a great place to watch the world go by while sipping sangria and tossing shrimp heads on the sidewalk. A meal for two, with an acceptable Spanish wine from the Rioja district, won't cost more than about 3,000 pesetas, tip included.

El Mesón de Peseceñal (Carretera Colmenar Viejo s/n, tel: 734.10.19) is a classic for Madrileños fleeing the heat after sunset. Less than 14 kilometers from the center of the city, it is always cool here—women in summer dresses should take light jackets with them. There is no crowding, and the tables are set on high ground, among hedges and under trees and bowers, with views of the northern part of Madrid. Parking is seldom difficult, but a car is necessary to get there. The kind of dishes served lend a picnic air to the brief but rewarding excursion on a summer night.

To be recommended are the icy gazpacho, garlic soup, mixed salad, tortilla (Spanish potato omelette) and the tiny lamb chops. It's best to stay away from the thin house wine (though the sangria is good) and pick a light Rioja. Dinner for two with tip comes to about 3,500 pesetas. Camille (Paseo del Campo, Batallón de Vascos, tel: 464.37.04) a Basque restaurant open all year round, is tucked away in Madrid's biggest park, the Casa de Campo, and feels like the diner is out in the country, although it is only a brief taxi ride from the center of Madrid. Currito himself, a chef from Sanz near Bilbao, oversees the operation and generally greets his guests. The fish dishes are usually excellent, with specialties like hake in green sauce and cod in the Biscay style. Hearty meat-eaters will find the generous chuletón de buey, a huge rib cut, to their liking. Fresh sardines grilled in the outdoor fireplace are a good starter, accompanied by a chilled dry sherry. For dessert, it's worth trying the smoky Idiazabal cheese. Currito's cellar contains a wide selection of Riojas for those who like to choose their brand and vintage, but the house wine is itself a quite palatable Rioja. Dinner for two, including tip, costs about 3,500 pesetas.

Catalonia has its own Mediterranean cuisine and, not surprisingly for a region with such a long Mediterranean coastline, seafood is one of the dominant elements. Of the many excellent places to eat in Barcelona during warm weather, relatively few offer outdoor dining facilities; but here are some of the better-known spots:

Los Caracoles (Escudellers 14, tel: 302.31.85) founded in 1835 and one of Barcelona's oldest restaurants, lies in the heart of the Barrio Chino, the red-light district, and is steeped in the flavor of this venerable city. It's hardly an outdoor restaurant, with its crowded dining rooms on several levels and the obligatory stroll through the picturesque kitchen to reach them. However, the tables set up on the narrow street outside—which is closed at night to vehicular traffic—are a summer night's delight for people-watching diners. Some of the specialties, like revellons, excellent orange-colored mushrooms, are seasonal. Other favorites are butifarra (a Catalan sausage) and fish soup. The house wine, from the nearby Penedès district, is acceptable, and prices are modest. Two can eat well for under 2,500 pesetas, tip included.

La Martinica (Dolores Monserdà 51, tel: 204.51.53) is another kettle of fish—smart and upbeat. People go there to be noticed, and although the restaurant has been in business for little more than a year, it shows signs of becoming a permanent part of the Barcelona scene. There are five big tables on the terrace outside, and a large "greenhouse" area inside gives customers the illusion of outdoor dining even when the weather is bad.

Maitre Ramón Resina, who has worked at the casino in the coastal resort of Sitges not far away, stresses good service as well as good food. The menu changes with the seasons, but there are two constants: seafood and nouvelle cuisine. Among the more memorable specialties are crabmeat crepes, sea bass steamed with seaweed, and turbot in champagne. There is an excellent choice of wines from the various Catalan districts and the Rioja. Notwithstanding the sophisticated atmosphere, prices are not exorbitantly high. A good meal for two, including a drink before dinner and the house's homemade sherbet for dessert, will cost about 5,000 pesetas including tip.

La Venta (Finca Avenida Doctor Andreu, tel: 212.64.55), at the foot of Mount Tibidabo, is more down-to-earth and casual. The view of Barcelona from the terrace, especially at night, is beautiful; if there is a breeze at all, it's felt here. The food is also catering, with an emphasis on Basque cooking. Unusual specialties include brains with mint, sole with creamed spinach and prawns, and cocochas (a highly prized delicacy in Spain, consisting of the small fleshy appendages beside the throat of the hake). The wine list is adequate as far as Spanish wines go, but it would be better if the selection of Catalan reds was as good as that of the local whites. About 3,500 pesetas for two, including tip.

Mare Nostrum (Paseo Bernardo Fernández 14, Sitges, tel: 894.33.93) is a long way from Barcelona for a meal, but worth the 36-kilometer trip. Sitges is pleasant and picturesque—if crowded in the summer—and among the restaurants overlooking the Mediterranean, not the least is Mare Nostrum, where the salt air mingles with the aroma of seafood prepared with care and simplicity. Plates worth trying include rape de la costa (angler fish baked with a sauce of eggs, cream and garlic), sole smothered in cheese, and the various rice dishes. The light house wine from Tarragona goes well with fish. As an alternative, Mare Nostrum has another specialty: duck with plums and pine nuts. A rich, full meal for two, including a plate of sarsas (little fried fish) to nibble while you wait for the more substantial dishes, will come to about 4,000 pesetas including the tip.

SEVILLE Andalusia's mild climate and the gregarious nature of its people add up to a lot of outdoor living. Streets that are open only to pedestrian traffic, like the famous Calle Sierpes in Seville, lend themselves to communication between humans. A row of tables in front of a bar or a restaurant in any such narrow old street seems to be full most of the day, with men sipping coffee, women and children having their merienda, or afternoon snack, or young men and women washing down their tapas with a glass of beer or wine.

In such circumstances the sitdown meal, particularly at night—when visitors from abroad have long since felt the need for a solid supper—often takes a back seat to tapas and conversation while standing at the bar. Taking into account local customs, the following list includes two restaurants (the first two) that are basically chair-and-table places and two others that give you a choice: tapas or a full meal—or both.

La Raza (Parque de María Luisa, tel: 21.20.24) is in spectacular surroundings among palm trees and flowerbeds. The light house wine from Tarragona goes well with fish. As an alternative, Mare Nostrum has another specialty: duck with plums and pine nuts. A rich, full meal for two, including a plate of sarsas (little fried fish) to nibble while you wait for the more substantial dishes, will come to about 4,000 pesetas including the tip.

Rio Grande (Calle Betis 70, tel: 27.39.56) is one of the terraced dining spots on the Calle Betis overlooking the Guadalquivir River, with a fine view of the 13th-century Moorish tower known as the Torre del Oro and of the Giralda tower, Seville's most-famous landmark. Both international and Andalusian cooking is available, but the best choice is any kind of fresh seafood. A good starter, if it is available, is a plate of the incomparable langostinos (a kind of prawn) from Sanlúcar, at the mouth of the Guadalquivir. They should be eaten with a light dry wine from the nearby sherry district, preferably a chilled manzanilla, which also comes up the river from Sanlúcar. For a main course try acedias (a small variety of sole) or pinyas (very small hake, fried) or whatever fish the waiter recommends as being freshly caught. Carry on with the manzanilla throughout the meal; you will not regret it. Dinner for two will cost about 4,000 pesetas, including a reasonable tip.

Vesta Ruiz (Carretera de Cadiz, tel: 61.00.88) is a popular roadside inn on the southern outskirts of Seville with excellent food, in the form of tapas and meals, at surprisingly low prices. The cooking is almost completely Andalusian, with such specialties as gazpacho, acedias and the superb cured ham from Jabugo in the neighboring province of Huelva. There is an unusually wide selection of sherries. A leisurely dinner for two, seated at a table with tablecloth and all the usual accoutrements, will hardly cost even 2,000 pesetas, including tip—unless the diners sample a variety of tapas first, which is a splendid idea.

Venta de Camarín (in Santiponce, near the ruins of the Roman city of Italica, 9 kilometers from the center of Seville) is better known as a tapa bar than a restaurant, but that does not mean you cannot have a tasty meal. The food is pure Andalusian—as full of calories as it is of flavor—and includes some items that will tempt only the adventurous eater. The specialty here is meat in hot sauce. But, as to most tapa bars, there is an assortment of exotic nibbles, like snails, little birds cooked in sauce, and manteca colorada ("red lard"). They say the wine you drink cuts down on the cholesterol. Maybe. Anyway, the reward for the adventurous eater is on his palate. How much you spend depends on your capacity, but a couple would have to eat a lot of tapas and drink a lot of fino sherry to spend more than 2,000 pesetas, and you will probably spend out much more than half that.

Getting a Handle on the Right Luggage

by Kay Eldredge

NEW YORK—The ticket agent slips a colored destination tag through the suitcase handle, presses together the adhesive ends, then lifts the bag onto the conveyor belt behind him. As the passenger is handed a boarding pass, the bag disappears through a small door at one end of the conveyor. Before the flight is over, it will be handled, and perhaps mishandled, an average of nine more times.

The real purpose of a suitcase is to carry possessions safely from one place to another, but there are a number of things to consider when you're deciding which luggage to buy. How it will stand up to travel is just one of them. Price, weight and style will probably all affect your choice.

There are more than 300 luggage manufacturers, but there are basically only three types of suitcases: hard, soft-sided and soft. Hard bags have a rigid frame and rigid sides, usually of metal or molded plastic. Soft-sided luggage has a rigid frame covered with fabric or leather. Soft bags have no frame and are most often carry-ons and garment bags.

Hard bags, like those made by Samsonite and American Tourister, do the best job of protecting their contents and still have enough style to show up at the Plaza. According to U.S. bellhops, they're especially popular with Europeans and Japanese. Stanley Facey, a luggage handler at La Guardia Airport in Queens, N.Y., uses an American Tourister when he flies because he knows it can take the kind of abuse it sometimes gets.

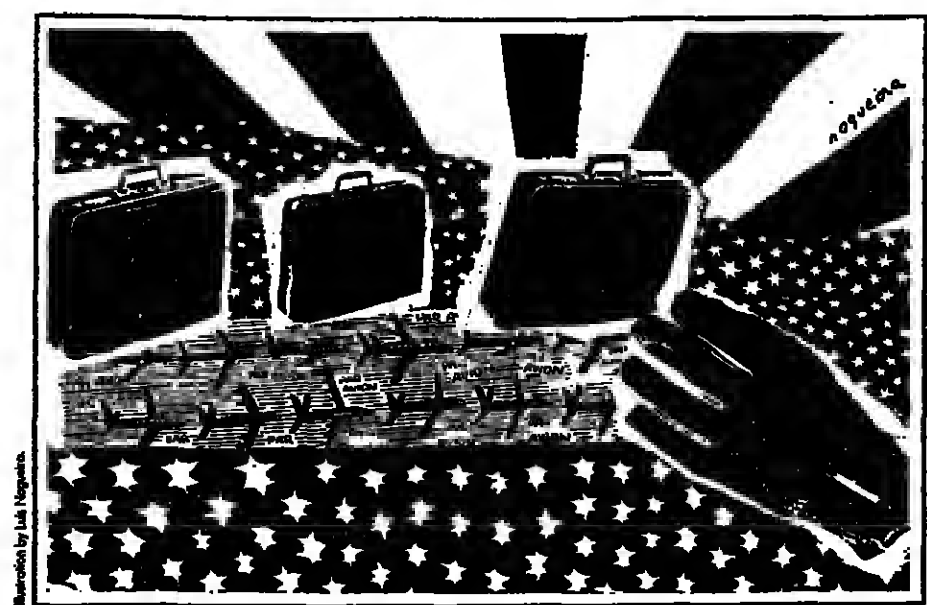
When a suitcase comes down the conveyor belt, it's unloaded by hand and placed on a metal cart, which is wheeled to the plane. The luggage is unloaded, again by hand, and placed in the hold. Some effort is made to put the strongest bags on the bottom, but during peak travel times the whole process accelerates dramatically. Bags are yanked from the belt, flung onto the carts and jammed into the hold, and a soft bag can easily end up under hundreds of pounds of luggage. That means wrinkled clothing at the very least and maybe worse damage if anything breakable is in the bag.

There's not much danger of that with a hard bag. To protect their instruments, rock musicians favor Halliburton luggage, with its gleaming gold- or silver-tooth sides. It's made of the kind of aluminum used for aircraft. And the Skyway company has gone a step further with its own line by putting a rubber bumper around the perimeter of its hard bags.

But what you gain in protection you may pay for in added weight, so to make hard suitcases easier to handle manufacturers have added wheels and pull straps. At United Airline's La Guardia customer service center, there's a box full of them. Wheels are knocked off as bags are heaved over the rim on the sides of the carts. Pull straps catch in conveyor belts. If you want to keep them, wheels and straps should either be retractable or be removed before checking the bag.

Luggage handlers also say that hard bags sometimes pop open during rough handling, even when locked. Facey suggests that travelers sacrifice style and fasten a strong strap around their bags. A different kind of damage is caused by travelers who oversize and spring the frame.

That's not a problem with soft-sided bags because of the give built into them. Introduced



just after World War II, they were designed to reduce the weight of luggage; part of the reduction came from using a lightweight frame of aluminum, steel or wood and part from replacing the heavy hinge and clasp with a zipper.

The sides are now made with everything from cowhide to nylon. Leather bags are very durable but tend to be much heavier than bags with fabric or synthetic coverings. These, however, are subject to tears from conveyor machinery. Inexpensive vinyl is especially vulnerable.

Damage by handlers or machinery is in a different category from what the airlines call normal wear and tear—soiling, scratches, nicks and gradually fraying edges and weakened zippers. A suitcase, after all, is supposed to take some punishment so the contents don't. Light-colored bags tend to show all kinds of wear more quickly, but there are now synthetics, like Hartmann's Ultrasuede, that are sturdy and clean up well despite their perishable appearance. Louis Vuitton bags, or "LVs" as the handlers call them, are made of canvas with a waterproof coating of vinyl and are notable for their durability—and price.

Gucci is also a prestigious name in luggage and offers soft-sided bags in everything from canvas to suede and in almost every price range.

Carry-on bags are either soft-sided or soft, with no supporting frame. Soft luggage in general is especially vulnerable to airport conveyor belts. "It eats those bags," says Boyce Ezell, another handler at La Guardia. There are exceptions, like the Andiamo bags made of tough Cordura nylon, which comes in regular pullman sizes as well as carry-ons. These can be checked with impunity unless breakables are packed inside. Soft bags are particularly appropriate for casual clothing or for destinations where a few wrinkles won't matter.

Soft bags, however, ride less well on the pull carts now seen frequently in airline terminals. Stewards' wives were among the first to use them, and they've become popular with other women eager to take the lug out of luggage. Collapsible metal frames with wheels and a handle, the carts can carry up to 200 pounds of luggage. When the bag is checked, the cart should be

packed inside or carried onto the plane. Carts attached to the outside of luggage are often damaged during handling.

Garment bags are in a category by themselves, though like soft bags they have no internal support structure. Most are designed to be carried onto a plane and stored in overhead compartments or in the narrow closets that some planes have. If you're buying a garment bag, make sure the outside pockets are gusseted away from the bag so that things placed in the pockets don't take up room inside the bag. Women's garment bags are longer than men's to accommodate dresses, and, for ease of carrying, many fold in thirds instead of in half as men's do. A shoulder strap helps.

Garment bags durable enough to check, say luggage loaders, are almost always overpacked and consequently hard to handle. Their greatest liability is their hooks, which should be removed when the bag is checked. Otherwise they catch in the machinery and on other bags.

As for locks, many travelers believe that locking bags will prevent theft. The fact is that any thief, given the opportunity, can get into any suitcase. The main purpose of a lock is to limit that opportunity in public places and to keep the bag from accidentally opening during rough handling. In a hotel keep valuables with you or in the hotel safe and leave bags unlocked so an intruder won't break them apart trying to find out what's inside.

There is some correlation between price and quality, although a traveler will probably pay a premium for designer luggage because the designer receives a fee for the use of his name. Good vinyl now costs as much as nylon, though nylon tends to be stronger. Nylon is rated by number from about 90 to 1,800; the higher the number the tougher the nylon. Leather is also long-wearing but is at the high end of the price scale, as is the strong coated canvas used by Louis Vuitton.

When shopping for a soft or soft-sided bag, check all edges to see if they are finished in a seam. Check the stitching to see if it is slightly recessed to prevent rubbing and wear. Make sure the handle attachment is reinforced so it won't pull out when the bag is lifted with a sudden movement.

©1982 The New York Times

KENT

Fresh • Calm • Mild

KENT cigarettes... all feel good about the mild international taste.

© 1982 B&W Co.

And on the Island of Majorca

by Anne Sinclair Mehdevi

MAJORCA, Spain—Every coastal town on this island has from 10 to 20 bar-restaurants where one can eat outdoors. The overwhelming majority are short-order places with their "blue plates" listed in English, French and German as well as in Spanish. For tourists who speak some other language there is usually a placard of colored photos that one can point to by way of ordering.

Such bar-restaurants are open from 9 a.m. till 11 or so at night. Prices range from 150 pesetas or about \$1.50 (fried eggs and french fries) to 500 pesetas (pepper steak with french fries). A 15 percent charge is usually added to the bill, so no further tipping is expected. Service is prompt and the food is unimpeachable; most of the fish is frozen and canned music blares out all day. A great many such eateries face a coastal expressway with a view of the sea through ranks of parked cars.

Listed below alphabetically by towns are eight outdoor restaurants selected either for their exceptional location or their excellent food. All of them serve paella, usually with a wait of a half-hour and a minimum service for two, priced from 500 pesetas a head. All have headwaiters who speak passable English.

In the village of Cala D'or, the Yate D'or has a tree-shaded patio ground for dining that seats about 80 people. The specialty is an assorted grilled fish platter at 1,100 pesetas a head. Hours are 1 to 4 for lunch, 7 to 11:30 for dinner. Closed in January; tel: 65.79.78.

In Cala Rajada, the Ses Rotges has a spa-

cious tiled patio that seats 80 at widely spaced tables. The owner-chef is Finnish and the food is prepared with imagination and care. Rabbit in mustard sauce is a specialty—minimum serving 2 persons at 1,275 pesetas each. Mussels in a spiced cream sauce called salsa poulerte is a favorite with seafood enthusiasts. Hours are 1 to 4 p.m. and 7 to 11:30 p.m. Open from April 1 to Oct. 31. After September closed on Tuesdays; tel: 56.31.08.

In Estellencs, the Es Grau is a 1½-hour drive from Palma over spectacular mountain roads. The terrace, directly on the sea, seats 100. There is a special menu daily. A sample gazpacho, veal chop with garnishing, ice cream, wine, bread and coffee for 560 pesetas. Hours are 9 a.m. to 9 p.m. Not open for dinner; tel: 61.02.70.

In Las Mitas, only 7 kilometers from Palma, is the Bonaire, noted throughout Majorca for its food. The terrace with a sea view seats 80. The house specialty is arròs ambida, a fish and rice dish for about 1,000 pesetas a head. Hours are 1:30 to 4 and 8:30 to 11:30. Closed for 1½ months in winter; tel: 40.00.48.

In Palma Nova, 10 minutes from Palma by expressway, the Porta Nova has two terrace restaurants, each with a garden-and-sea view. The upper-floor restaurant is more expensive and seats 40, the lower seats 100. The specialty is roast lamb with vegetables and roast potatoes, at 750 pesetas a head in the upper and 575 in the lower. Both restaurants are open all year, the upper only for dinner from 8 to 2 a.m., the lower from 9 a.m. to 2 a.m.; tel: 68.15.12.

In Ancanada, a suburb of Puerto de Alcudia, families with small children favor La Ter-

raza, an inexpensive and informal restaurant situated at the edge of a pine wood where no cars are allowed. It faces a semi-private beach open to all guests, most of whom eat in their bathing suits. The cane-shaded dining terrace is open for sandwiches, coffee and drinks. Hours are 9 a.m. to 11:30 p.m. Closed November through March; tel: 54.56.11.

In Puerto de Pollensa, at La Lonja, diners eat far out on the pier with a view of hundreds of fishing boats and yachts. The restaurant, which has three fishing snacks working for it, is known primarily for its fresh fish dishes. Its specialty is caldereta de langosta, a type of bouillabaisse with lobster at 1,900 pesetas a serving. Hours are 12:30 to 4 and 7:30 to 11:30. The dockside is too cold in winter when the same food is served in a glass-enclosed upstairs dining room; tel: 53.00.23.

In Port Verd, a suburb of Son Servera, the Port Verd Restaurant has five restaurants served by the same kitchen. Outdoor diners eat on a rocky terrace at the edge of the sea, in a patio beside the swimming pool or in another patio with a fountain. No more than 100 guests are admitted as the kitchen staff cannot maintain standards with larger numbers. From mid-July until mid-September a small orchestra plays on the seaside terrace after 9:30 p.m. Two of the specialties are encrecic Port Verd, a cutlet with mushroom sauce (745 pesetas) and arròs valencian, rice with crab meat (790 pesetas). Hours are 1 to 3 and 8 to 11. The outdoor terraces are used only sporadically in winter, depending on the weather, but the indoor dining rooms serve throughout the year; tel: 56.77.21.

If you desire additional information on any travel destinations or services described in today's Travel Section, send a self-addressed, business size envelope to:

Director, Travel Information
International Herald Tribune
181 Ave. Charles-de-Gaulle
92521 Neuilly Cedex
France

We will endeavor to see that further information is mailed back to you, free of charge.

IMPORTANT NOTICE
TO TRAVEL SECTION
READERS

Brussels' X-Rated Puppet Theater

by Louis Carflet

BRUSSELS — Enter Wolje, the mascot marionette at the Toone Theater. Tonight the baby-faced midget plays a streetwise knave. He is also the master of ceremonies, and addresses the audience in a mélange of French, Flemish and patois.

"Tonight's parody is a frightfully farfetched version of 'Lucrezia Borgia,' the marionette says. 'There's one abduction, seven assassinations and numerous sword fights. There's also plenty of nasty stuff.'

The theater is filled to capacity, and the 150 spectators, who have paid 200 Belgian francs (about \$4) to sit on wooden benches for the two-hour performance, lean forward with recognition and delight. They are watching a survivor from the 16th century, when puppet theater spread from Italy throughout Europe. Eighty years ago the Toone was one of 15 puppet troupes in Brussels and 200 in Belgium. Today it is the last in Brussels and one of the few remaining in Europe.

"This performance," the flip Wolje continues, "is packed with rape, arson and sacrilege. It goes without saying, this puppet show is for an adult audience."

Toone's marionettes have been playing to adult audiences since 1830, when Toone (the nickname of a roving satirist) began to stage spoofs of classic theater and opera. A tradition was born of plots embellished into elaborate three-week performances, with marionettes specializing in fistfights, plays on words and facetious gossip. So regular was attendance that it became the custom to give the daily news before each show.

But war, then the movies, sapped its popularity until the early 1960s, when tradition, and Toone VI, was dying. Enter José Geal, puppeteer and administrator. In 1963 he became Toone VII.

"I had to turn what was becoming a museum piece back into a living, popular performing art," he says. "The first thing I did was to establish a permanent stage." Geal bought a narrow, three-story building in the restaurant alleys near Brussels' Grand Place. With government aid he refitted it into a pub, a museum and a theater, which he opened in 1966.

"Then we rewrote the parodies," Geal and two French playwrights condensed the week-long epics into spunky, one-night performances. They also introduced modernity. Today's repertoire includes "Faust," "The Three Musketeers" and "Hamlet." "The Three Musketeers" and "Lucrezia Borgia" this summer. A non-spoof "Nativity" is staged at Christmas and the "Passion" during Easter.

Geal, who now laughs about the night 20 years ago when he performed for an audience of one, says that on all but the coldest winter nights the shows are sellouts.

On stage, 7 assistants manipulate the 40 to 60 marionettes used in each performance; at the Toone, marionettes are worked from the wings and passed from handler to handler as they move about the stage. Except for few soliloquies, the communication is constant. We see fists and wooden heads collide noisily, and lovers frequently tremble with fulfillment.

Intermission: Toone VII, a local celebrity, leads the way to the museum below, where he



Jose Geal and his marionette Wolje.

signs autographs and answers questions. He was born in Brussels 51 years ago to a working-class family, and entered show business as an actor at the Belgian National Theater. In 1954 he founded a children's theater and produced 300 short films for European and Canadian television. Then he turned to puppets, and organized the Belgian chapter of the International Union of Puppeteers.

"Toone VI adopted me as his successor because I speak two Brussels dialects. The Toone tradition draws heavily on Brussels slang."

After the intermission, Lucrezia, now wearing a see-through nightgown, orders the monk Totellini to assassinate the bisexual antelope. Totellini, wracked with indecision, turns to the audience. Stage right, behind the facade, Geal sits with a script, a microphone and a repertoire of voices. Squealing maidens, boisterous knights, solemn clergymen and drunken rogues are Geal.

"Considering how frequently the marionettes change hands, one person imitating all the voices is most practical," he explains. "Also, it's traditional."

Geal is stickler for tradition: The wooden benches are traditional. The curtain's head-size hole, through which

rowdy spectators, is traditional. So is the adult-only audience.

"Marionette theaters were once where old men came to see the old tales told in the old way," Geal says. "Then satire, burlesque, comedy and tragedy became marionette standards. Playing for grownups, puppeteering reached a high level of sophistication and artistic achievement."

"One of the misfortunes for our art this century is that many puppet theaters, suffering a lack of attendance because of their own lack of creativity, changed from adult audiences to children."

Geal defends the changes he has made — condensed plots and new plays, for example. "When puppets were the only show in town, drawn-out productions were feasible. In shortening the old plays and adding new ones, we've not altered the spirit of the Toone tradition. We still spoof the classics. And we still produce a good, modern puppet show for modern audiences."

At least, adults think so.

Performances at the Toone Theater, 21 Petite Rue des Bouchers, 1000 Brussels, (tel. 513.54.85) start at 8 p.m. Tuesday through Saturday. The troupe is open on tour and shows are often sold out, so reservations are advised.

On a Fling in the Highlands

by R. W. Apple Jr.

DUNOON, Scotland — All morning long, the ferries chugged across the mouth of the Clyde, laden with men in kilts — some carrying bagpipes, some starting work on the flasks early — and with more-ordinarily dressed people. By midafternoon the boats had put about 25,000 people ashore in Dunoon, a town of less than 10,000 built at water's edge beneath the brooding hills of Argyll. There were pennants everywhere, and tartan banners on every lamppost, and the air was filled with the insistent skirl of "Scotland the Brave."

For this was the biggest day of Dunoon's year, the second and final day of the Cowal Highland Gathering. There are gatherings in 70 Scottish towns every summer, and there were gatherings elsewhere last weekend — at Urquhart, where the Loch Ness monster is said to live, and even in Edinburgh.

The Cowal event has more participants than any other: nearly 4,000 this year, in the reds of the Stewarts and the blues of the Andersons, the greens of the Black Watch and the yellows of the MacLeods. It also has an innocence that appeals to those weary of promoters and overpaid athletes. Hundreds of pipers practice for thousands of hours to better their chances of winning the Cowal Championship for the best band in the land. It carries with it a prize worth all of \$200 and spectators pay only \$1.75 to get in.

Scotland has a reputation for public rowdiness, and there were plenty of whiskeys and beers consumed before midnight along Argyll Street, Dunoon's principal street. But as the Scottish Standard noted later, "One local bobby was all that was needed to place a thick blue line between people that play and decent behavior."

"Next week at Braemar," the paper added, "the public will get its annual glimpse at what is popularly believed to be the Highland games. American TV will beam the pictures. Stated of the Queen and the yappy little corgis, and they will say it is 'quaint.' They will be seven days too late and they will have gone to the wrong place."

The focal point of the day was the games themselves, a sort of combination track meet, county fair and ethnic jamboree. All day at the Dunoon Sports ground, pipers piped, athletes ran, wrestlers grappled, young girls in kilts and long Argyll socks danced, and beefy men known hereabouts as "heavies" tossed bulky objects about and pulled at the ends of ropes.

It went on for hours, everything at once, and the pipes never stopped from 9:30 a.m. until all the bands, 154 of them, marched up Argyll Street and into the ground in late afternoon in a final burst of mournful song.

The \$17,500 Comic Book

Continued from page 7W

guide's first printing, the same run of comics was priced at \$2,354. Robert Overstreet, who publishes the guide, said mint-condition Golden Age books have gone up more than 25 percent a year for 10 years.

"A hundred or so years ago, you put your money in diamonds," says Pamela Scott. "Not today. Today you put it in comics."

Ben Weinstein, co-owner of Heritage Books in Los Angeles, was out particularly surprised when told of the Marvel's \$17,500 price tag. But he was pained at the gap between comics and the antiquarian hardcover books he sells.

"It really doesn't make sense," Weinstein says. "Books as a whole are generally undervalued. Books are so cheap relative to other collectibles. Classics of American literature tend to run less than \$1,000. Weinstein says. In his store, an "exceptionally clean, bright" copy of a first edition "Huckleberry Finn" by Mark Twain is priced at \$950.

Weinstein's explanation of why a first edition "Huckleberry Finn" can draw nearly \$17,000 less than a pulp comic book is that "comic books were never saved."

The early ones, mostly published in the World War II years, generally were read and ravaged by children, then sent to paper drives. Books, more likely to have been saved, are therefore less scarce.

A collector's expert at Sotheby's in New York, Nigel Russell, feels comic books may be a passing craze. He says that they have not been traded long enough to have an established market and that there is "a great risk" in investing in them. Collector interest — and prices — can fall as well as rise.

Comic-book investors seem oblivious to such warnings, and business is booming. What makes a comic valuable? Condition, scarcity and age, of course. Also reader appeal.

"Right now everybody's crazy about mutants, so the X-Men are very popular," Pamela Scott says.

Not everyone who buys comic books secretes them away; some people read them.

"If you're in it just to make money, I don't really want you in it, because then you're not enjoying it," says Pamela Scott. "There's a joy in comics that you're not going to find anywhere else."

One of her customers is a second-grader whose schoolteacher father has been taking him to the Comic Vendor since his preschool days.

"When he started coming to me he wasn't even in school," she says. "He reads almost at high-school level, because he started reading Thor. Thor is a hard book to read. Thor goes around asking, 'Hast thou seneth thy servant?' And he's reading that."

©1982 The Los Angeles Times



Only 60 cents this year, but the market is up.

Thursday's NYSE Closing Prices

Tables include the nationwide prices up to the closing on Wall Street.

12 Month High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close	12 Month High	Low	Stock	Div.	Yld.	P/E	100s	High	Low	Close
(Continued from Page 6)																			
43 4	43 4	IBM	3.00	4.0	11	27.75	43 4	43 4	43 4	43 4	43 4	IBM	3.00	4.0	11	27.75	43 4	43 4	43 4
12 5	12 5	IBM	3.00	4.0	11	27.75	12 5	12 5	12 5	12 5	12 5	IBM	3.00	4.0	11	27.75	12 5	12 5	12 5
5 7	5 7	IBM	3.00	4.0	11	27.75	5 7	5 7	5 7	5 7	5 7	IBM	3.00	4.0	11	27.75	5 7	5 7	5 7
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8	2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2 8	2 8
2 8	2 8	IBM	3.00	4.0	11	27.75	2 8	2											

FRIDAY, SEPTEMBER 3, 1982

BUSINESS PEOPLE

Dean Witter Lares 3 From Merrill

Dean Witter Reynolds Inc. has recruited three executives from Merrill Lynch's London office to spearhead a private-client expansion program in Britain, the thrust of which will be the selling of Eurobonds to individuals.

"We've come here as a team," said Gerald Morse, who joined Dean Witter along with David Moore and Sarah Edwards. The three, who were appointed vice presidents, are "very capable people for selling Eurobonds to private individuals," said A. Gary Klesch, president of Dean Witter Reynolds Overseas Ltd. in London. Mr. Klesch said Dean Witter has "a lot of growing to do" and that the company aims to "mimic the expansion" in the equity area that it has had in the bond area.

To begin with, "we're going after the English market," said Mr. Morse, who has worked as a broker for Merrill Lynch in the United States and, most recently, in London, where he dealt in U.S. and international financial instruments, tax shelters and leasing.

Mr. Moore formerly was with Merrill Lynch in London as a broker specializing in Eurobonds, financial futures, options and commodities, and Mr. Edwards was a broker with Merrill Lynch in London, concentrating on Eurobonds, commodities, U.S. stocks and domestic bonds for personal investors.

Dean Witter is an investment services concern owned by Sears, Roebuck & Co., the Chicago-based retailer.

BL Appoints a New Chairman

Sir Michael Edwards, chairman of BL, has announced that he will resign from the state-owned British automobile in November. Sir Austin Bide, the 66-year-old chairman of the Glaxo pharmaceuticals group and deputy chairman of BL, will become non-executive chairman of BL on Nov. 8.

Succeeding Sir Austin as deputy chairman of BL will be Sir Robert Hunt, chairman of the Dowry group.

Sir Michael's executive responsibilities will be shared by Ray Horrocks, head of BL's automobile group, and David Andrews, who runs the Leyland truck and Land Rover group.

Sir Michael took charge of the company five years ago and has been struggling ever since to return it to profitability. The company has been on the verge of bankruptcy and closure several times. Sir Michael has forecast that BL will break even in 1983, but the firm is expected to post a loss for this year's first half.



Sir Austin Bide

New Chief at French Unit of Mobil

Mobil Oil France plans to name Georges Racine president. Mr. Racine, currently vice president-director general of the Paris-based unit of Mobil Corp., is to succeed the late Jean-Louis Lehmann. A spokesman said the French unit's board is expected to approve Mr. Racine's appointment as president at its next meeting, probably next week.

First Boston Taps Ex-Peru Official

First Boston Inc. has named Pedro Pablo Kuczynski, formerly Peru's minister of energy and mines, president of its First Boston International subsidiary and a managing director of its investment banking subsidiary, First Boston Corp.

He assumed the post of Peru's energy minister in July, 1980. From 1977 to 1980, he was president and chief executive officer of Halcó (Mining) Inc., a Pittsburgh-based mining company. He has also worked for the World Bank and its International Finance Corp. unit, the International Monetary Fund and Kuhn, Loeb & Co. In addition, he has served as deputy director general of Peru's central bank.

Other Appointments

Royal Bank of Canada has appointed John N. Abell deputy chairman and chief executive of its merchant banking subsidiary, Orion Royal Bank Ltd. of London. He will also become chairman of Orion Royal Pacific Ltd. in Hong Kong. Mr. Abell, who was a vice chairman and director of Wood Gundy Ltd., succeeds Viscount Hardinge, who has been appointed a deputy chairman of Orion Royal Bank.

Sumitomo Trust & Banking Co. has named Hiroshi Deguchi general manager of the London branch. He succeeds Akira Takahashi, who has been appointed general manager of the bank's New York branch. Mr. Deguchi formerly was general manager of the bank's corporate business department in Tokyo.

David Simon, previously deputy managing director, has been appointed managing director of BP Oil International, a London-based unit of British Petroleum Co. He succeeds Walter Kirsten, who has returned to Hamburg to continue his duties as a board member of Deutsche BP, another unit.

Hideo Tashima has been named president and a director of Minolta Camera Co., an Osaka-based maker of optical instruments, office copiers and micrographic equipment. Mr. Tashima, previously a vice president, succeeds his father, Kazuo Tashima, Minolta's 82-year-old founder, who has become chairman.

Nomura Securities Co., Japan's largest securities company, has opened a Peking representative office, which will be headed by Osamu Tamaki. He previously was based in the Tokyo head office, where he was general manager of the international finance department.

Christian Strenger has been appointed a general manager of Deutsche Bank's London branch. He previously was based in the bank's Frankfurt head office, where he was a first vice president of the new issue and corporate finance department, with responsibility for Britain, Holland and Scandinavia.

Christopher W. Barrett, formerly with Scandinavian Bank Ltd. in London, has joined the international capital market division of Morgan Grenfell & Co., London, as an assistant director.

Maurice Glynn has been appointed chairman of American Can (U.K.) Ltd., succeeding Guy French, president of American Can Canada Ltd. Mr. Glynn, the first British national to hold the position of chairman, will continue as chief executive of the company, which is Britain's second-largest manufacturer of cans for the food and drink industries.

—BRENDA HAGERTY

IBM to Use 64K Chip Designed by Intel Corp.

By Paul Richter
Los Angeles Times Service
LOS ANGELES — Intel Corp. has signed a contract to provide International Business Machines Corp. with design and manufacturing process information on a key computer memory chip, the advanced 64K dynamic random-access memory.

The value of the contract was undisclosed, but analysts said it came as a coup for Intel, located in the San Francisco Bay community of Santa Clara. Intel entered the market for the advanced chip behind some of its big competitors after scrapping several early designs for the part.

The agreement gives IBM an option of manufacturing the Intel part for use in its equipment, Intel said in a statement. It was not disclosed which IBM data-processing equipment the part might be used in.

IBM already is Intel's largest customer, and analysts speculated that the contract may serve to further cement a relationship that has given Intel steady revenue.

"IBM is the world's largest maker of semiconductor and a company of sophisticated technologies," said John J. Lazio Jr., an analyst with Hambrecht & Quist, a

San Francisco-based investment-banking concern. "To be chosen like this can only help Intel's stature."

The chip is called the 64K because it can store about 64,000 bits of digital information. The chip is the latest generation of a family of electronic memory devices that began with a chip, the 1K, that held a maximum of 1,024 bits of digital information.

Mr. Lazio said Japanese chip makers, which have made steady gains in the U.S. memory-chip market, design their 64K chip by essentially packing onto a single silicon wafer four of their 16,000 data-bit chips.

U.S. makers, on the other hand, tried to develop a chip with a new circuit design. The strategy carried more risk but also a potential to produce a chip that would be simpler, cheaper and more reliable, Mr. Lazio said.

He said that Intel went through six versions of its chip before arriving at what it considered a satisfactory design.

Intel began shipping its chip in quantities only this month, months after the two larger semiconductor producers, Motorola Inc. and Texas Instruments Inc., produced theirs for sale to other companies.

Headhunting: No Longer a Shady Search

By Terry Gross

International Herald Tribune

LONDON — For Peter Giblin, 10 years of headhunting came to a rather unusual end Thursday. He might be called a victim of his own best efforts.

Mr. Giblin, 40, a New Jersey native, was a senior vice president of Russell Reynolds, one of the largest firms in headhunting, or, as it says on the business cards, "executive search." About two years ago, he netted J. Staffan Gadd from Scandinavian Bank to be chairman and chief executive of Samuel Montagu & Co. in London.

Mr. Gadd made many changes at Montagu, and Russell Reynolds was used to help fill a number of jobs. Along the way, Mr. Giblin was involved in the hiring of several top-level people.

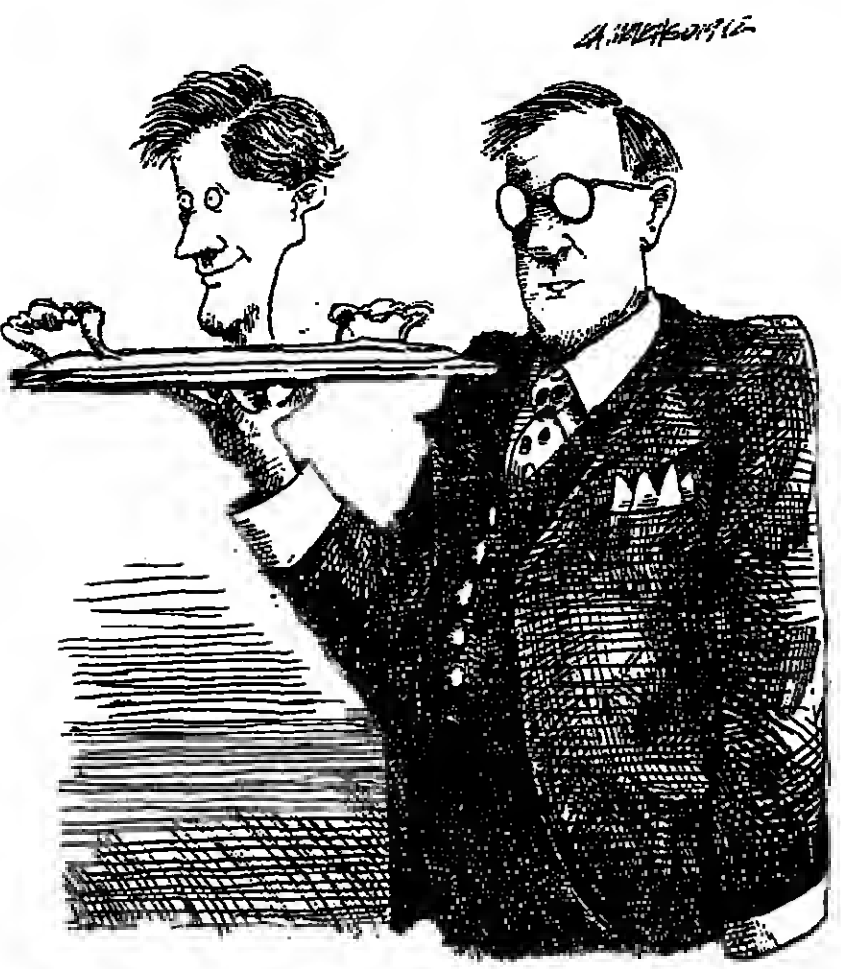
Then Mr. Gadd made a change at the bank that directly affected Mr. Giblin — he hired him as a managing director.

"We got quite friendly," said Mr. Gadd. "I thought he could be very useful here, and so I hired him. So that's a headhunter who's joined a bank."

"It's the only case I know of," said Mr. Giblin, who will head the division that includes personnel and administration. "It grew out of the relationship with Mr. Gadd, having spent so much time talking with him about the organization and where it was going."

There are those who see nothing unusual in the

(Continued on Page 9, Col.3)



Mexican Action Tied to Fear of Insolvencies

By Robert A. Bennett

New York Times Service

NEW YORK — The nationalization of Mexico's private banks was ordered to save them from insolvency, according to U.S. bankers. Despite their philosophical commitment to private ownership, most of the bankers interviewed applauded the nationalization as a much-needed step to bolster international confidence in Mexico's banking system.

Fearing that the Mexican government would not stand behind the debts of the private banks, other bankers around the world have been refusing to deposit money in Mexican banks or to lend money to them, thereby putting them in danger of failure.

"This is a positive step in that it puts the Mexican government clearly behind its banking system," said a spokesman for the Bank of America, which has about \$3 billion in loans to Mexico.

At meetings in New York last week with international bankers, Mexican officials, including Finance Minister Jesús Silva Herzog, were told that Mexico must affirm its support of private banks or they would be cut off from credit, banking sources said.

Some U.S. bankers also viewed the nationalization as a move by departing President José López Portillo to shift some of the blame for Mexico's severe economic problems from his administration onto the banks.

Along with the announcement that the banks would be nationalized, Mr. López Portillo said there would be a broadening and strengthening of the foreign exchange controls imposed earlier this summer. But several U.S.

bankers said they remained doubtful that Mexico would be able to keep money from flowing into the United States.

Mr. López Portillo said foreign banks would not be affected by the nationalization, order. Citibank, which has five branches in Mexico City, is the only foreign bank with banking offices in Mexico. Most other large foreign banks maintain representative offices in Mexico but do not make direct loans or take deposits.

Mexico has 25 commercial banks entirely owned by private investors and 34 that are primarily privately owned, with minority ownership by the government. At the end of 1981, these banks reported total assets of 1.77 trillion pesos. The state banks had assets of 995 billion pesos. At that time, when there were about 25 pesos to the dollar, their assets would have been \$443 billion and \$249 billion respectively. The peso is now about 100 to the dollar.

Two private banks dominate the Mexican economy: Banco Nacional de México, known as Banamex, and Banco de Comercio, or Bancomer. Bancomer had total assets of 629 billion pesos at the end of May. With 47 pesos to the dollar then, the value of the assets was about \$13.4 billion. Assets of Banamex stood at 598 billion pesos, or \$12.7 billion.

Central Bank Chief Resigns

The director of Mexico's central bank, Manuel Mancera Aguayo, resigned Wednesday night following Mr. López Portillo's announcement. Reuters reported from Mexico City. Also Wednesday, the government declared the dollar illegal tender and said all dollar accounts would eventually be phased out.

Mexico's government newspaper said Carlos Tello Macías, previously director of the National Sugar Bank and a former Cabinet member, immediately replaced Mr. Mancera Aguayo.

NYSE Prices Leap; Dow Up 14 Points To 12-Month High

Compiled by Our Staff From Dispatches

NEW YORK — A late rally on Wall Street Thursday pushed the Dow Jones industrial average to its highest level in more than a year as investors rushed to put their money into shares ahead of the long Labor Day weekend.

The average was up only about 3 1/2 points at mid-afternoon but soared in the last two hours of trading, finishing with a gain of 14.35 points to 909.40, its highest closing level since Aug. 21, 1981, when it reached 920.57.

Advances led declines by more than two to one. Trading volume slipped to about 75 million shares from 82.8 million Wednesday.

The market was under pressure throughout the morning from a combination of profit taking and concerns that the decline in short-term interest rates may have ended.

However, analysts said the news that the Canadian bank rate was cut to 13.75 percent from 13.95 percent helped allay interest rate worries. Following the bank rate cut, several major Canadian banks cut their prime rates to 15 1/2 percent from 16 percent.

Harvey Deutsch, an analyst at Purcell Graham, said investors also were encouraged when no stampede developed on the market's pullback. "People are still looking to buy on the declines," he said, and so when prices fell investors, and particularly institutions, started buying.

Chester Pado of G. Tsai & Co. added that institutions are still holding large amounts of cash and are rushing into the market out of fear they could miss the next big rally. Mr. Pado expects the market to continue its bullish posture for the next two to three weeks and predicted that the Dow average will rise to the mid-900s during that period.

Earlier in the day, some analysts said investors were employing automatic selling programs in the 900 area of the Dow, making it difficult for the market to push rapidly higher. Analysts repeatedly have emphasized that spurts of profit taking, in the wake of the recent extended recovery, are to be expected.

The Addition Report of Quincy, Mass., this week told subscribers

Gold Rises \$32

In Comex Trading

Compiled by Our Staff From Dispatches
NEW YORK — Gold prices rose more than \$32 an ounce in New York late Thursday on what dealers described as fears about the economic situation in some Latin American countries.

On the Comex, gold for delivery this month closed at \$438, up \$32.10. Silver rose 78.5 cents an ounce to close at \$8.45.

Dealers said there were rumors that Argentina was experiencing a severe cash shortage that may interrupt its debt payments. There was also concern that some Latin American countries would follow Mexico's example by nationalizing banks.

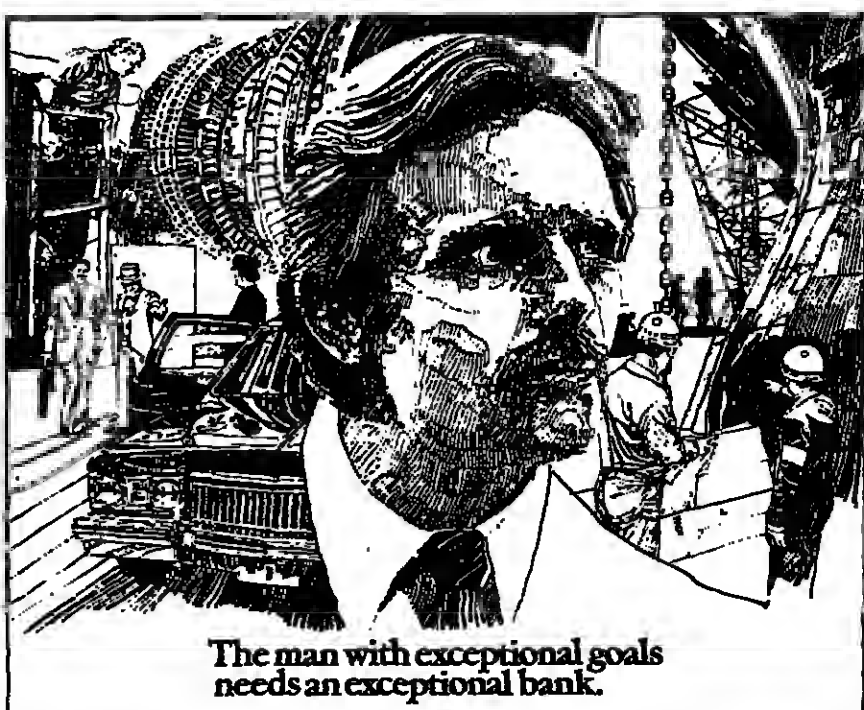
that, on a short-term basis, it expected the Dow average to decline to between 840 and 860. Moreover, the investment advisory service foresees "massive resistance" at the 910 level.

Thursday's slower trading indicated that some traders were waiting early for the long Labor Day weekend. The market will be closed Monday. Share prices often show a strong gain before the Labor Day weekend, analysts noted.

Blue chip stocks led the market, as they have for the past two weeks, indicating that buying is still dominated by institutions. IBM rose 1 1/2 to 71 1/2, Westinghouse 1 1/2 to 33 1/2, Eastman Kodak 3 1/2 to 85 1/2, General Motors 1 1/2 to 48 1/2, General Electric 2 to 76 1/2, United Technologies 1 1/2 to 48 1/2, and Standard Oil of California 1 1/2 to 29 1/2. IBM, Westinghouse, Kodak, General Electric, GM and United Technologies all set highs for the year.

Aerospace, transportation and technology stocks were also very strong.

Several of the best performers in the technology group were stocks that fell out of favor with investors last winter because of slowing orders. Gainers included Datapoint, up 1 1/2 to 13 1/2; Honeywell, 4 to 79 1/2; Digital Equipment, 3 1/2 to 84 1/2, and Texas Instruments, 4 1/2 to 96 1/2.



The man with exceptional goals needs an exceptional bank.

What makes RNB exceptional? Our office in New York, for example.

Republic National Bank of New York is the 25th largest bank in the United States, ranked by deposits, and still moving up. In fact, with its 32 domestic branches, RNB is one of the fastest growing banks in the US today.

RNB continues to grow because, at home or abroad, we serve our clients exceptionally well. And we do that in a number of ways.

To begin with, at RNB we concentrate on the things we do best, such as export financing, foreign exchange, banknotes, money market transactions and gold. We also offer the new IBF's

(international banking facilities), which enable non-US residents to deposit Eurodollars in New York.

Geographically, too, we work mainly in areas where we have something special to offer. As we are part of the worldwide Trade Development Bank Holding Group, that includes not only the key financial centers, but also a number of less familiar countries where our exceptional knowledge of local conditions can be an important advantage for clients.

If RNB sounds like the sort of bank you would like to entrust with your business, get in touch

with us. RNB—an exceptional bank for the man with exceptional goals.

RNB: US\$ 8.7 billion in total assets;
US\$ 678 million in stockholder's equity;
TDB Holding Group: US\$ 13.4 billion in assets; US\$ 1.1 billion in capital and loan funds employed. All figures as of June 30, 1982.

Republic National Bank of New York — the 25th largest bank in the USA, ranked by order of deposits. Affiliates and representatives in Geneva, London, Luxembourg, Monte Carlo, Paris, Hong Kong, Singapore, and 20 other cities around the world.



Republic National Bank of N.Y. Member of Trade Development Bank Holding Group

Shown at left, head office of Republic National Bank of New York, at 452 Fifth Avenue. One of the fastest-growing financial institutions in the United States, Republic nwb has 32 branches in the New York area.

Europe's corporate aircraft management and charter company operating a fleet of:

5 Citation II - 1 Falcon 20 - 1 Falcon 50
4 Gulfstream II/III - 1 Boeing 737
5 Boeing 727 - 2 Boeing 707 - all Executive

JET AVIATION
PRIVATE JET SERVICES

8058 Zurich Airport Tel. 1-814 20 02 24 hrs. Telex 59 820 pjz ch

Tables include the nationwide prices up to the closing on Wall Street.

[illegible][illegible]

**FOR A
MAXIMUM
RETURN
ON
TIME
INVESTED.**

International Herald Tribune
We're not news for you.

هكذا من الأهل

BUSINESS BRIEFS

U.S. Retail Sales Remain Sluggish

NEW YORK — Sales by some of the largest U.S. retail chains were sluggish again in August, little helped by the beginning of the back-to-school season or the July 1 income-tax cut, the stores reported Thursday.

Sears, Roebuck & Co. said August sales rose 1 percent from a year before, to \$1.54 billion. For the first 30 weeks of the fiscal year, Sears said sales were up 1.6 percent, to \$10.86 billion. But Sears said better results are expected for the rest of the year because of the 10-percent tax cut and falling interest rates.

K. mart Corp. reported a 4.3-percent sales drop, to \$1.19 billion, for the first 30 weeks ended Aug. 25, for the year so far, sales by K mart are up 2.9 percent, to \$8.94 billion. J.C. Penney Co. said August sales fell 2.2 percent, to \$938 million; for the year so far, sales are down 1 percent, to \$6.03 billion.

Oak and Rascal Team Up in Pay TV

SAN DIEGO — Oak Industries Inc. said Thursday that it has agreed with Rascal Electronics PLC of London to form a joint venture to develop pay-television services in Britain and elsewhere in Europe. Oak said the joint venture, Rascal-Oak Communications Ltd., will be managed by its own board. Financial details were not disclosed.

The U.S. company noted that the British government recently authorized the introduction of direct broadcast by satellite systems for England beginning in 1986. Britain also is expected to approve later this year proposals to greatly expand its cable-TV industry.

Oak makes home terminal equipment and satellite signal encoding and decoding equipment. It also operates TV subscription systems. Rascal produces electronic products and communications equipment.

U.S. Extends Speedy Bond-Offer Rule

WASHINGTON — The Securities and Exchange Commission has approved a one-year extension of a controversial rule making it easier for major corporations to issue new securities.

The extension, approved Wednesday, applies to the SEC's so-called "shelf registration" rule. The rule permits companies whose stock is widely traded to file a detailed financial statement with the commission and then offer bonds or stock at any time during the next two years to take advantage of favorable market conditions, without bringing the statement up to date. The old rule required a new statement before each securities offering, and the statement took at least 48 hours to win SEC approval.

The rule took effect last March and was due to expire Dec. 10.

Harvester Said to Offer Truck Plant

TOKYO — International Harvester Co. has offered to sell its truck factory in Australia to Nissan Diesel Motor Co. of Japan, the Japanese company said Thursday.

A spokesman for the company, affiliated with Japan's No. 2 automaker, Nissan Motor Co., said the offer was made by an agent for the struggling American company but declined to disclose details.

Compiled From Agency Dispatches

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Britain			
British Petroleum			
2nd Quarter	1982	1981	
Revenue	8,370	7,226	
Profits	1,600	2,018	
Per Share	0.88	0.74	
3rd Quarter			
Revenue	16,320	13,796	
Profits	2,570	3,940	
Per Share	1.38	0.367	
Cadbury Schweppes			
1st Half	1982	1981	
Revenue	654.5	561.9	
Profits	77.7	15.8	
Per Share	0.899	0.644	
Year ago results adjusted			
Canada			
Canadian Imperial Bank			
2nd Quarter	1982	1981	
Revenue	86.2	101.2	
Profits	1.81	2.4	
Per Share	1.81	2.4	
Full name of company is Canadian Imperial Bank of Commerce			
Hudson's Bay			
1st Half	1982	1981	
Revenue	1,790	1,870	
Net Loss	122.8	24.9	
Royal Bank of Canada			
3rd Quarter	1982	1981	
Revenue	3,024	2,870	
Profits	87.8	136.9	
Per Share	0.86	1.56	
7 months			
Revenue	9,210	7,330	
Profits	247.8	374.9	
Per Share	2.66	4.54	
Hong Kong			
Cheung Kong Holdings			
1st Half	1982	1981	
Revenue	504.7	546.7	
Profits	1.81	2.4	
Hutchinson Wharfedale			
1st Half	1982	1981	
Revenue	1,760	1,610	
Profits	490.8	352.2	

GATT Sees Threat of a Price Collapse

Reuters

GENEVA — World trade is showing dangerous parallels to the 1930s, with the international banking system under threat and protectionism on the rise, the General Agreement on Tariffs and Trade said Thursday.

A boom in bank lending in the 1970s, similar to that which preceded the Great Depression, has left many countries and companies overburdened by debt and loaded down the world financial system, the agency said in a report reviewing the past 18 months.

At the same time, the report said, curbs on trade have multiplied as governments try to protect their industries from foreign competition.

The report, which appears three months before a major GATT trade ministers' meeting, said these two trends are coexisting and could lead to a collapse in prices such as that which plagued the world economy in the 1930s.

Protectionism itself still poses a grave threat to world trade, the report said, "but the more immediate danger may be that it will trigger a severe disturbance in the already troubled international financial system."

It added: "Protectionism could cause an international liquidity shortage, one severe enough to produce a series of insolvencies. When anti-inflation policies are pursued in conjunction with increasingly restrictive commercial policies, and with domestic economic policies which tend to inhibit market adjustment, it must be admitted that a high degree of deflationary danger exists."

The report by GATT, which

strives to loosen curbs on world trade, stressed that much recent international lending has been "deadweight debt," credit to finance imports rather than increase productive capital. It estimated current debts of oil-importing Third World countries at more than \$500 billion and those of Eastern Europe at \$80 billion to \$90 billion.

In the 1920s, the war debts and German reparations that accounted for the surge in international indebtedness were also "deadweight debt," the report said.

Headhunting: Once-Shady Job Now Respected

(Continued from Page 11)

jump from executive search to executive. One banker, who asked not to be named, said, "Headhunters have in them a streak of frustrated chief executive."

"There's probably a grain of truth in that," said Bill Uttridge, manager of executive search for PA International. "It's not the thing I'd think of first, but I suppose it's true."

Whether or not headhunters want to run businesses, more and more people appear eager to become headhunters. It is a profitable business.

Determining precisely how many headhunters there are — in the world, in Europe, in Britain — is impossible. The profession was "invented" in the United States and is most widespread there. But since its importation to Europe just over 20 years ago, it has grown rapidly.

A study in 1979 by the Geneva-based partnership Consultix indicated at that time that there were 170 executive search and recruitment firms in Western Europe with a total fee income of more than \$100 million. The growth has continued since, though no figures are available.

In Britain, the survey showed, there were 40 such firms earning more than \$25 million in 1979. Again, it is generally agreed, the profession is growing. With greater size, the business has shed its former image of being a little shady, perhaps slightly immoral.

"It's terribly expected somehow," said Mr. Uttridge, adding that there was not a great deal of resentment involved on the part of the companies that lose executives. "I've had people phone up when I've pinched someone from them and say, 'You located our star, can you help us find a replacement?'"

And while much of the British headhunter's lot is, say, searching for the marketing director for the frozen foods wholesaler in Birmingham, there is a large, if unquantifiable, business in the City of London as well — "pinching" bankers, brokers and traders.

Unlike the world of manufacturing or marketing, however, the City is a small place, where people at the top level tend to know one another. While there are thousands of people changing jobs there every year, searches in the City are made somewhat more difficult by the ethics of headhunting — all firms have rules on how long client companies are off-limits for searching.

While some headhunters did not agree that they should be called headhunters, there was agreement that the City was a good place to do business, with some of the larger search firms assisting in as many as 40 to 50 appointments there each year.

And all the bankers, brokers and traders interviewed said they used headhunters, some not so often, others very regularly.

"I have had contact over a long period of time with various headhunting firms," said R.I.R. Gras, director of the exchange and money market division of Lloyd's Bank International. "We use them when we haven't got sufficient organic growth within our personnel to fill the gap."

Headhunters are relatively expensive — the fees for a search vary, but probably average about one-third of the employee's first-year salary — but they provide an extension, when needed, of the company's personnel department.

They deal mostly with jobs well above the personnel director's head — vice president, managing director, chief executive; people who earn £20,000 (\$34,000) and up, as a rule. Headhunters report to top-level people and provide something not available from the personnel department: confidentiality. Often the headhunter is looking to fill a job held by someone who doesn't know he is about to be cut loose.

Oswald Gruebel, chief executive of White Weld Securities, pointed out another reason for using a headhunter. He said that often he will have a good idea of whom he wants for a job, but will engage a headhunter as well. "We want to find out if a headhunter can do it better." Because there often are

very few people who can do a specialized job, he said, "a headhunter gives you a market profile, who's available."

A banker who asked not to be named took this idea a step further. "Everybody needs a friendly headhunter," he said. "Each of us has our favorites. They are an enormous source of gossip, information, a data bank, call it what you like."

It is a business that is complex and at the same time straightforward. Headhunters agreed that the key elements are defining exactly the position to be filled, getting a handle on the personality of the chief executive for whom the new employee will work, and doing extensive research.

The most intangible skill for the headhunter is the ability to mesh the personality of the employer with that of the employee.

Mr. Uttridge said, "The first thing I do is try to find out as much as possible about [the prospective employer], about the company, about what he wants."

Mr. Gadd of Samuel Montagu agreed: "I think it's important, if you're looking for top people, that the headhunter knows you and knows your personality."

Once the headhunter's research has located a number of suitable candidates, he contacts them. But the stereotype of a furtive phone call that comes when the candidate is munched his morning corn flakes does not hold.

"There's not much mystique about it," Mr. Uttridge said. "We phone the chap up at the office. 'If we ring someone up,' said Peter Prentice, managing partner of Tyack & Partners, "we ring him up at the office, and we say who we are. That is the professional and aboveboard way to do it." He added that he often makes the first contact by mail.

Whether making that contact for a City client is easier or more difficult than working on behalf of a manufacturer of fasteners or a distributor of ice cream is a matter of debate.

"The City client is more commercial in his thinking," said Mr. Prentice. "He is therefore more re-

Cuban Bank Aide Expected to Seek Japan Debt Talks

Reuters

TOKYO — A senior official from the Banco Nacional de Cuba will arrive next week for talks on rescheduling long-term loans from Japanese banks falling due before the end of 1985, banking sources said Thursday.

The Cuban central bank wants 10 major Japanese banks to extend the payment period for the 10-year loans, the sources said. Similar requests are believed to have been made by Cuba to European and Canadian lenders.

The sources said Cuba had told the Japanese banks that it intended to repay short-term loans falling due soon, but hoped to renew them. Japanese bank lending to Cuba is put at about \$100 million in syndicated loans and trade credits.

High interest rates and declining prices for sugar, Cuba's main crop, are blamed for its need to reschedule the debts, the sources said.

U.K. Official Reserves Up

The Associated Press

LONDON — Britain's official reserves of gold and foreign currency rose by \$170 million in August to their highest level since April.

PORTNAX DEVELOPMENT LIMITED
Bd: U.S. \$2.00, Asked: U.S. \$2.25
As of date: September 1, 1982.
F.P.S.
FINANCIAL PLANNING SERVICES BV
Kalmthout 112, 3rd Floor
1012 PK AMSTERDAM, Holland
Phone: (0) 20-25047/229873, Telex: 18536

FUTURES DOW JONES
Through New York Industrial Index Fund
Prices in U.S.\$

Maturity	Set-off quote	Business done
	1400 hrs. L.	last week low/high
Sept. 30	890/900	878/905
Oct. 28	890/900	878/905
Nov. 25	890/900	878/905

PIERSON, HEDRICK & PIERSON NV
Herengracht 234, AMSTERDAM
Tel. 21188 Telex 12165

CENTRAL ASSETS CURRENCY FUNDS LTD.
Prices as at 8.9.82

U.S. \$	10.57
£ Sterling	10.72
D. Marks	41.29
S. Francs	60.36
Fr. Francs	108.37
SDR's	264.41

Centraal Asset Currency Management Ltd.
P.O. Box 109, S. Hill, Jersey, Channel Islands
Tel. Jersey (054) 7488 Telex (UK) 419228

Are you looking for a high yield, maximum liquidity and minimum risk?

Are you now earning market rates on your short term liquidity?

Would you like to secure wholesale interest rates on retail deposits?

If the above questions matter to you

INTERNATIONAL INCOME FUND

offers a choice of 3 investment opportunities:

Short Term 'A' Units, exclusively invested in US money market instruments for maturities of less than 12 months.

Short Term 'B' Units, invested in money market instruments denominated in the SDR currencies, and Swiss Francs for maturities of less than 12 months. These units offer a balanced currency approach. Income on both 'A' and 'B' Units accrues daily. You can redeem units on any business day. Redemption proceeds are paid within five business days and will include full interest for that period.

Long Term Units, representing a balanced portfolio of Eurobonds and Euroconvertibles. Income is paid annually and units can be redeemed every week at net asset value, less 1%.

Trustee: Midland Bank Trust Company (Channel Islands) Limited
Administrative Agents: EBC Trust Company (Jersey) Ltd., Jersey.
Investment Adviser: European Banking Company Limited, London.

Send for full details to:
EBC Trust Company (Jersey) Ltd., 28 Hill Street, St. Helier, Jersey, C.I. Tel: 0534 36281
Please send full information to:

Name _____
Address _____
City _____ Country _____

Subscriptions are only valid if made on the basis of the current explanatory memorandum, supplemented by either the last Annual Report or the last Interim Report, whichever is the more recent. The Legal Notice has been deposited with the Chief Registrar of the Grand Ducal Court of Luxembourg where such documents are available for inspection and where copies thereof can be obtained upon request. Daily prices are published in this newspaper under "International Funds".

To All Shareholders of Global Natural Resources PLC

THE TRUTH ABOUT GLOBAL & MCFARLANE

The Warner-Bertoglio group have spent large sums of money publishing a highly misleading account of the McFarlane acquisition.

The truth is as follows:

Global has never over-valued McFarlane's oil and gas reserves. Global's technical staff and advisers conducted a thorough review of McFarlane's assets and the price agreed (after hard negotiation) reflects — greatly to Global's advantage — the current "buyers' market" for oil and gas assets. Global is paying approximately \$25 million for McFarlane's proven reserves of oil and gas despite the fact that McFarlane's engineers estimated the value of these reserves to be considerably higher and their value estimated according to the guidelines laid down by the American SEC was \$49 million.

H. J. Gruy & Associates, Inc., the highly-respected independent petroleum engineers to Global, have endorsed Global's valuation of McFarlane's proven reserves.

Arthur Andersen & Co., Certified Public Accountants, have completed their audit of McFarlane's 1982 financial statements — as required by the acquisition agreement.

A detailed investigation of McFarlane by Global's own technical staff and outside lawyers and accountants has confirmed McFarlane's good standing.

The preliminary earnings estimates for Global and McFarlane quoted out of context by the Warner-Bertoglio group were drawn up separately by the two companies before the acquisition was agreed. The Directors of Global have always stipulated that the enlarged Company's exploration expenditures should be controlled to ensure that temporary losses are limited and borrowings remain at a prudent level. Updated forecasts for the enlarged Company have now been prepared which indicate an operational loss for 1982 considerably smaller than that referred to by the Warner-Bertoglio group and a return to profits in 1983. Under the "successful efforts" accounting policy, temporary losses will inevitably be recorded in periods of high exploration expenditures despite the growth in the underlying value of the Company's assets.

The forecasts indicate that at the end of 1983 the net long-term debt of the enlarged Company will be limited to less than one third of shareholders' funds.

Detailed information on McFarlane was given in a letter from your Company published on 17th August, 1982, which is available from your Company and its financial advisers.

FURTHER FACTS YOU SHOULD BE AWARE OF

The Warner-Bertoglio/Bear Stearns group have put forward no specific plans for your Company. They are asking you to dismiss a successful Board and to entrust control over Global to would-be directors with neither a record of past success with public oil and gas exploration companies nor any plans for the future success of Global.

They style themselves "The Committee for the Protection of Global Shareholders", but the effect of their current legal campaign — if successful — would be to deprive you, the shareholders, of the benefits of the McFarlane acquisition.

In their efforts to solicit your vote, they have quoted figures and reported facts out of context and have communicated information piecemeal.

They have told shareholders about the Temporary Restraining Order postponing completion of the McFarlane acquisition, issued after a two-hour hearing by a Cincinnati Court on 24th August, 1982. But they have not told you that their motion for a similar injunction was fully considered in a six-day hearing in the High Court of Justice in London and was refused. What is more, after a further three-day hearing, the Court of Appeal unanimously upheld this refusal.

CONSIDER GLOBAL'S EXCELLENT RECORD OF GROWTH IN SALES, RESERVES AND SHAREHOLDERS' FUNDS

	1978 (\$000)	1981 (\$000)	Compound Annual Growth
Sales of oil & gas production	9,937	34,894	+54.8%
Oil reserves (Bbls 000's) ¹	1,103	1,936	+20.6%
Gas reserves (Mmcf) ²	70,721	103,073	+13.4%
Present value of proven reserves	55,500	174,300	+46.3%
Additions to properties	11,803	30,070	+53.3%
Shareholders' funds	42,099	92,422	+22.3%

¹After production of 688 (Bbls 000's) for the period

²After production of 29,686 (Mmcf) for the period

This success has been reflected in the market price of your shares up from \$1.48 in September 1976 to \$10½ (closing bid) on 31st August, 1982.

GLOBAL'S ACHIEVEMENTS AND PROSPECTS ARE THE STRONGEST ARGUMENTS FOR SUPPORTING YOUR BOARD OF DIRECTORS

Time Is Running Out

We urge every shareholder to vote — VOTE NOW!

For full information call your Company or one of the firm's listed below — today.

Global Natural Resources PLC
Brighton, England

Hambros Bank Limited
London
01-588 2851

Lehman Brothers Kuhn Loeb Incorporated
New York
212-558 2940

SPORTS

Buehning and Warwick Upset Gerulaitis, Clerc at U.S. Open

By Jane Leavy

Washington Post Service

FLUSHING MEADOW, N.Y.

—Vitas Gerulaitis already had lost

a set and was down, 0-3, in the second

set when he broke when he

walked to the wrong court to serve.

"Mr. Gerulaitis, the umpire

murmured gently, nodding to indicate

the right direction.

Gerulaitis, the world's fifth-

ranked tennis player and the No. 5

seed in the U.S. Open, just didn't

seem to be all there Wednesday.

"Oh, I was there," said Gerulaitis,

who had not lost in the open's first

round since 1973. "I was just

thinking about the next point. I

thought maybe they would give me

an extra point and it would be 3-1."

The next three points did go to

Gerulaitis. But the breaker and

the match went to Fritz Buehning,

ranked 56th worldwide, 6-4, 7-6, 6-3.

The day was equally unkind to

Argentine José-Luis Clerc, the

seventh seed, who lost to Kim Warwick,

ranked 55th, 3-6, 6-4, 1-6, 6-1, 7-6.

Warwick took a tendon in his

right shoulder playing John McEnroe

in June, 1981, and tore it again

last February. This was only the

Australian's second victory in seven

matches since returning to play.

"The other guy I beat was Mike

Myberg—household name, huh?"

he said.

The second day of the open fea-

tured those two upsets, four rain

delays and one power outage that

caused the postponement of the

John McEnroe-Tim Gullikson

match at 3-All in the first set. Just

as power was restored, the rains

came; officials then called it a

night.

Walking Wounded

The walking wounded in the

women's draw fared well. Tracy

Austin, the No. 2 seed and defend-

ing champion, who last week de-

veloped tendinitis in her right

shoulder, was leading Catherine

Tanvier of France, 6-2, 4-1, when

Tanvier, ironically, had to retire

because of a turned right ankle.

Austin characterized both her

shoulder and her play as "OK."

Andrea Jaeger, the No. 4 seed,

who has a groin pull, appeared to

be moving well as she beat Lena

Sandin, 6-1, 6-1. But she didn't

have to move all that much.

The two Wimbledon winners,

Jimmy Connors and Martina Nav-

ratilova, were easy first-round

winners. Connors, the No. 2 seed,

started slowly but beat Jeff

Borowick, 7-6, 6-2, 6-3. Top seed

Navratilova downed Laura Du-

Pont, 6-1, 6-1, in 42 minutes.

Clerc's and Gerulaitis' power

shortages were more critical than

those affecting the facilities.

Clerc, who had such a specta-

cular summer of 1981, winning four

tournaments in a row before losing

in the fourth round of the open,

will not look fondly on the

summer of '82. He lost in the semi-

finals of three of the four tournaments

he won a year ago and defaulted to

Warwick in another.

It never would have happened if

Warwick's doctor had had his way.

After Warwick reinjured his

shoulder, the doctor told him not to

play again. So, said Warwick, "I

got another doctor."

The first point of the fifth-set tie

breaker may have proved the dif-

ference Wednesday.

Clerc missed his first serve. On

his second, Warwick chose to go

for it, hitting an outright winner

on a backhand cross-court rather

than opting to keep the ball in

play.

He won the next three points be-

fore Clerc served a winner to make

it 4-1. Warwick, Warwick hit a

forehand cross-court volley to go

up 5-1, and then a lovely serve to

Clerc's forehead that Clerc could

not return. It was match point.

Resistance

Clerc did not give in readily. He

hit a service winner to make it 2-6,

and an ace for 3-6. But, with War-

wick serving for the match, Clerc

dribbled a mis-hit backhand into

the net.

Against Gerulaitis, Buehning

went for everything, hitting out,

hitting unreturnable serves (he was

accurate on 57 percent of his first

serve).

Everything he did seemed under

control, including his temper,

which ledgers, Buehning did not

allow Gerulaitis to get his

rhythm and Gerulaitis was suc-

cessful on only 41 percent of his

first serves. "Nothing clicked,"

said the loser.

Even after Gerulaitis knocked

the tie breaker at 3, he could do

nothing. When Buehning hit an

overhead that Gerulaitis managed

to run down behind the baseline,

his return went wide.

"He lost heart after that,"

Buehning said. "That broke his

back."

Buehning, who had beaten

Gerulaitis only once before, quick-

ly took a 3-0 lead in the third set,

breaking in the second game and

holding in the third. Gerulaitis

broke in the fifth game to make it

3-2, "I guess I thought, 'I've got

him now and let up a little,"

Buehning said.

But he broke in the sixth and

held serve in the seventh to go up

5-2. With Buehning serving for the

match at 5-3, 30-30, Gerulaitis

stretched for a forehand volley. It

hit the cord and took its sweet,

amazing time, bouncing back

toward Gerulaitis.

"It was one of those days,"

Gerulaitis said.

FIRST ROUND

Men's Singles

Fritz Buehning, U.S., def. Vitas Gerulaitis, U.S., 6-4, 7-6, 6-3.

Kim Warwick, Australia, def. José-Luis Clerc, Argentina, 3-6, 6-4, 1-6, 7-6, 6-1.

Chris Lewis, New Zealand, def. Nick Saviano, U.S., 6-4, 6-2, 6-2.

Bob Lutz, U.S., def. Brad Ortner, Australia, 7-6, 6-1, 6-1.

Jimmy Connors, U.S., def. Jeff Borowick, U.S., 7-6, 6-2, 6-3.

Women's Singles

Martina Navratilova, U.S., def. Laura DuPont, U.S., 6-1, 6-1.

Dianne Fromholtz, Australia, def. Mary Lou Piatek, U.S., 6-1, 7-6.

Andreja Janjac, U.S., def. Lene Sand, Sweden, 6-1, 6-1.

Viviane Zang, U.S., def. Kim Jones, U.S., 6-3, 6-1.

Jill Davis, U.S., def. Sue Sedgwick, U.S., 6-3, 6-1.

Julie Davis, U.S., def. Kathy Harris, U.S., 6-3, 6-1.

Kim Warwick, U.S., def. Felicia Stender, U.S., 6-1, 6-1.

Betty Stenger, U.S., def. Shelly Long, U.S., 6-1, 6-1.

Ann Henderson, U.S., def. Sharon Walsh, U.S., 6-1, 6-1.

Wendy Turnbull, Australia, def. Beverly Adams, U.S., 6-1, 6-1.

Michelle Torres, U.S., def. Julie Morrison, U.S., 6-1, 6-1.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temesvári, Hungary, 6-2, 6-0.

Barbara Giamberini, U.S., def. Andrea Temes

